Daily Report

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Government Resigns; Nano Makes Statement

AU0406083891 Tirana ATA in English
0800 GMT 4 Jun 91

[Text] Tirana, June 4 (ATA)—After several hours of consultations of the presidencies of the political parties, of the Party of Labour, the Democratic Party, the Republican Party, the Social Democratic Party, the Omonia organisation, and with the participation in these consultations of the presidency of the Union of Independent Trade Unions of Albania, the People's Assembly continued its proceedings today at 0240.

The chairman of the Presidency of the People's Assembly, Kastriot Islami read out the following announcement:

In the meeting dated 3.6.1991, the Party of Labour, the Democratic Party, the Republican Party, the Social Democratic Party and Omonia organisation agreed that:

1. The government resigns

2. The new premier, proposed by the Party of Labour be suggested to the president of the Republic of Albania. The premier, in cooperation with the political parties will work out the composition of the government and of its program based on some main directions elaborated in the inter-party consultations.

3. The members of the new government be detached from the respective parties and not have the right to form parties and carry out party or electoral activity.

4. The new government should not have the right of electoral subject. [sentence as received]

5. To suggest to the president that the new elections be conducted in a suitable date in the May-June period 1992.

6. The Union of Independent Trade Unions of Albania agreed, in cooperation with the new government, to guarantee social peace and not stage strikes during the functioning of this government.

Likewise, in a meeting with the presidency of the Union of the Independent Trade Unions of Albania, they were committed to suspend the hunger strikes at the approval of the resignation and the fixing of the elections' day.

Then the floor was taken by premier Fatos Nano who granted the resignation of the government.

I am charged by the government, he said, to present its unanimous stand regarding the following through this statement:

Due to the impossibility to carry out the duty [that] the government took upon itself before the People's Assembly and the president, as a result of the lack of support on the part of the political forces and the blocking of its activity due to the strikes, which began after three days it had gained the vote of confidence, the Council of Ministers accepts its resignation. It undertakes this act to open the road to the new political solution proposed by the representatives of the country's political parties announced in the meeting of the People's Assembly of June 1 and attained today. The government is convinced that its programme and the first measures it proposed to be undertaken were the only possibility to stabilize gradually the extremely grave economic and political situation, even social one it inherited.

Aware of the difficulties it had to face and divested of every egoism, guided only by the wish to serve the interests of the people, without party prejudices and dissociated from the mistakes of the past, the government openly asked for cooperation with all the political forces and trade unions to suspend the strikes at least till the end of the year. It addressed the assembly, too, with this request, but it did not find the necessary support.

The government members thank, on this occasion, all those individuals, strata, social groups, who supported and encouraged it in its very short activity, promising at the same time that they will continue to work unsparingly, honestly and patriotically. It is our duty to appeal to the people to maintain tranquillity, observe the laws, contribute not to make heavier the socio-economic situation, getting down to work and preventing any step towards chaos which would gravely damage the interests of Albania on its road towards democracy.

On this occasion, I am authorized and charged with the state and civic responsibility, as a deputy of this Assembly as well to underscore that the agreement the political parties have reached does not take into consideration the country's grave economic situation and the needs of its overcoming it [with] a logical schedule.

In the last meetings among the parties and in the contacts with the presidency of the Union of the Independent Trade Unions, I have made known that the general strike has extremely affected the supply with the main food articles. This grave situation has brought about insecurity in the foreign firms to send the contracted goods. The transporting firms do not accept to load the goods for our country. Hence a quantity of contracted sugar, cheese, meat, butter have not yet been loaded. I underlined these because the hunger crisis, of which we should think and be committed to, is on the agenda. Therefore, the time-limits to be defined for the election of the new government should, by all means, and this is the opinion of the government, guarantee the food supplies for the people. This would demand by all means the necessary tranquillity for the peasants and citizens to enter in such relations so that to guarantee the food, including here the products of the coming autumn.

Then many deputies of the Party of Labour took the floor. Some of them were of the opinion that the Premier Fatos Nano must go on to be in the lead of the government and the coming elections should be held in an appropriate moment when the economic difficulties be overcome and tranquillity and social peace be restored beyond the time limit defined by the political parties. The greatest part stressed that the agreement reached among the political

parties for the withdrawal of the government and the conduct of the new parliamentary elections within May-June, 1992 period, is the appropriatest [as received] solution to open the way to the stabilization of the socio-economic situation of the country.

The chairman of the steering commission of the Democratic Party, the Deputy Sali Berisha declare that the opposition in the parliament, understanding and bearing in mind the remarks and objections of the majority, stresses that it not in the name of the party but of the interests of Albania and the entire Albanian people, will consistently observe all the points of the consensus or agreements reached among the parties, which this assembly has charged to define the most appropriate solution.

The Assembly will continue its proceedings today at 17.00.

Assembly Discusses Resignation

AU0106194191 Tirana Radio Tirana Network in Albanian 1800 GMT 1 Jun 91

[Zamire Koleci report on People's Assembly proceedings—live]

[Text] Good evening, dear listeners. After Presidency President Kastriot Islami opened the afternoon session, the deputy Agim Mero took the floor. If we are to continue with our speeches this afternoon, he said, I propose we should merely express as succinctly as possible our views about a new political solution. In my personal view, there is no other way out but for the government to tender its resignation and for new elections to be held. This would be a prestigious act that would raise the people's respect for the government.

The president of the Presidency appealed for deputies to be as brief as possible.

Deputy Flamur Cani proposed that the Assembly's proceedings should be postponed, because consultation with electors is required and their views must be brought here.

Deputy Osman Murati supported the creation of a pluralist government headed by Prime Minister Nano, suggesting efforts to establish close ties with the world. I think, he said, that if people set to work, Europe and other countries in the world will give us aid and support.

Deputy Qemal Alaj who then took the floor expressed his support for the creation of a restructured government on the basis of the existing one.

Bearing in mind the request of the president of the Presidency for speeches to be as brief as possible, and to save the time that is so valuable these days, deputies Mark Ndocaj, Sami Kushtaj, and (?Vehbi Hysa) withdrew their requests to speak.

Deputy Alfred Sereqi then spoke, and said that no political game can be played in Albania without the presence of the Independent Trade Unions. He supported the idea that the government should tender its resignation, a view that has nothing to do with the personal abilities of its premier. I also support the idea of creating another government and holding early elections.

Arif Halili called on political parties and representatives of the oppositions to devote all their energies, even on their journeys abroad, to bringing us out of the chaos we are experiencing. The people believe in the realities and they are tangibly aware. Therefore, let us do everything to enable the government to carry out its program.

Hysen (?Dadole) said among other things that democracy cannot be realized and the economy cannot be revived without establishing public peace. He pointed out that the opposition should accept the restructuring of the government to include members of the opposition and with Prime Minister Fatos Nano at its head.

Deputy Rexhep Uka said that his reason for speaking was the government's program and the strike of the cooperativists in the villages of the cooperative of (?Kacar), who have submitted 15 demands. He later said that [words indistinct] the government, but this does not mean its program is perfect, especially where the countryside is concerned. He considered it necessary for the government to resign, and for a government of national stability to be formed.

(?Shefki) Vukaj, who then spoke, said that we must bear in mind that our tensions here in the Assembly could snowball into an avalanche among the people, and we must careful. He supported the idea of creating a coalition government of national stability, to produce clear decisions for the problems of agriculture, such as land, prices, the migration of peasants with little land to fertile areas, and cuts in the administration. Local elections must be pluralist.

(?Fadil Daci), supporting the creation of a new coalition government under Prime Minister Nano, proposed that the government's program pay more attention to the problems and worries of rural working people.

Emin Musliu said in his speech that the socialist system has now long failed. Fatos Nano's government, as a monist government, does not enjoy moral and political support abroad. It must therefore resign and a technically pluralist government should be formed. On this basis, I do not understand why Mr. Nano does not accept such an important fact.

Deputy Bajram Kuthi, supporting the idea of a pluralist government headed by the prime minister, said that this government must do more to enforce the rule of law and should have a more concrete program for agriculture. Deputy Bashkim (?Gjokollari) supported this view.

As the session continued, deputy Alia Spahia withdrew his speech, and Sabri Frasheri took the floor. He began by expressing his dissatisfaction at the Assembly's pace of work, when many trade unionists in many enterprises, including Mborje-Drenove, have immured themselves on hunger strikes. He then supported the resignation of the government and the creation of a technical government.

The Assembly is now in recess.

Tirana PPSh Rally in Support of Assembly, Nano

AU3105221691 Tirana Radio Tirana Network in Albanian 1800 GMT 31 May 91

[Text] An ATA correspondent reports that the Albanian Workers Party [PPSh] committee for the city of Tirana organized a rally this afternoon in the Partizani Sports Hall in support of the People's Assembly, the government of Fatos Nano, and the Albanian people of Kosovo. Members and supporters of this party took part.

Halil Lalaj, first secretary of the PPSh Committee for Tirana, spoke and pointed out among other things that the PPSh, its members, and the entire people support unreservedly the road of pluralist democracy and its institutionalizztion, just as they support all other allied or opposition forces. It is enough if they serve true democracy in Albania. Healthy public opinion in Tirana is also totally against all forces that encourage destruction, insecurity and that kill and threaten our families. Tirana, our capital, the city where the party was founded and where the antifascist war was organized, built like all Albania with blood and sweat, will come round to itself and bring calm to the country. We are faced with a duty by our martyred brothers in Kosovo, who want us united and not divided. They want us in brotherhood and understanding, not quarreling and in confrontation. They want us at work and not on strike. In conclusion, he said that we condemn all political forces that manipulate and are turned against the country, its legitimate government, and the parliament that emerged from the bosom of the people in free elections. We support the new government. Let us leave it to work normally in peace and to deal with the woes of the country and the people.

[Name indistinct], secretary of this committee; Dhimiter Pecani, director of the National Theater; the soldier Vladimir Luma; the journalist Ariana (?Tahiri); and Niko Nosi, teacher at Tirana University, also spoke at the rally and supported the program of the new government of Fatos Nano and called for order, calm, social peace, etc.

[Name indistinct], an agronomist at the Orchard and Vineyard Institute, then read out a petition that a group of PPSh supporters has sent to Kastriot Islami, president of the Presidency of the People's Assembly, asking that the People's Assembly take measures to ensure calm, stability, and the lives of the entire people, defending democracy from its assassins, the culprits of the illegal acts that have destroyed order and threatened the rule of law. Let the government be given time to show its abilities.

In conclusion, Pellumb (?Vladi), secretary to the PPSh Tirana Committee, issued the appeal of the PPSh Tirana Committee addressed to the people of the capital, young people, members and sympathizers of political parties, members of different organizations and associations, to restrain their passions. Let the People's Assembly work in peace, so that it may conclusively solve the acute political problems of today. Participants held up slogans: We support Fatos Nano's government; We want calm; Strike—collapse; (?Looters) before the courts; Serbs out of Kosovo. They shouted for minutes on end for the PPSh and for Comrade Enver Hoxha; We want the rule of law; Brotherhood and unity; Down with the bureaucrats; The police are heroes, etc.

The participants dispersed peacefully and in order.

Valias, Verdova, Berat Strikes Continue

Islami, Others Visit Valias

AU0106204391 Tirana Radio Tirana Network in Albanian 1800 GMT 1 Jun 91

[Announcer-read report]

[Text] Kastriot Islami, president of the Presidency of the People's Assembly; Deputy Azem Hajdari; and Sabri Godo, chairman of the Republican Party went today to the Valias mine, where the miners are underground, waiting for their demands to be fulfilled.

We have come here today to meet as brothers, as Albanians, Kastriot Islami said to the miners.

Welcome. We are glad to see you. We would also be glad to see Mr. Fatos Nano. You are very late in arriving. This is a criticism, not an insult.

We consider you to be honest people, with fair demands. You are right to make a criticism, and I admit responsibility for arriving so late. However, we have many worries and concerns. I am trying to make my modest contribution to bringing Albania out of this crisis. I will struggle honestly to extract Albania from its wretched state, and to fight against all the bureaucrats who have brought the country to this state. Regarding your demands, those of an economic nature will be examined and I will convey them all to the prime minister. The others will be taken up by the Assembly and I will do my best to see them fulfilled as fast and as well as possible. This requires time, but they will nevertheless be put on the road toward a solution.

Deputy Azem Hajdari said that every government must welcome and respect the demands of trade unions. A trade union is a legal organization and any government of whatever kind must respect its demands and take them into consideration.

Please, Deputy Hajdari, said miner Adnan Peshkopia. Dialogue should have been conducted in its proper place. I said to you at the beginning, we are not here to make compromises. Before we came down to the gallery, we could have compromised. We are not doing so any more.

Kastriot Islami said that it is not a matter of compromise, but dialogue.

I do not like the People's Assembly, said Adnan Peshkopia. We cannot call it a People's Assembly after the insults thrown in our faces, especially the speech about banning the trade unions.

Kastriot Islami said: You are right to protest that. To ban the trade unions means violating every principle of human respect.

In coming here, we are not [word indistinct], because we have no weapons. Those in power have weapons, the secret forces who murdered our comrades. We therefore demand a reply to and a final solution of our 17 demands. We tell you this, because you are clad in the garb of the president of the Presidency of the People's Assembly. Mr. Nano should be here. He does not accept a single one of our demands.

That is not true, Kastriot Islami replied. He considered your demands to be fair. Let us talk frankly, with candid political views. In the meantime, there have been demands and demonstrations, calling for the overthrow of Fatos Nano's government. On the other hand, there are also telegrams and other rallies calling for Fatos Nano to stand firm, and for a new government to be formed and a new political solution to be found. Whether people judge us for good or ill, we are working toward finding a solution that does not split the nation.

The deputy Azem Hajdari said that we will find a way to answer your demands. We do not want anybody to trifle with your lives. Your lives are precious, and we will speak out in the parliament like Albanians.

The striking miner Besim Dule interrupted: I want to say a few words. It does not interest us what kind of government it is. The parliament, the president, and the government called our demands fair. We want our demands met and we want to get out of here.

Arben Voci said that we appreciate you coming here to the gallery where we have immured ourselves, and we appreciate that what you say in the parliament will carry weight, but, in the meantime, until you manage to achieve a political solution, I consider what we say to be a vote in parliament.

Ylber Qosja, a member of the Albanian Workers Party, said: I have been working in the mine for 10 years. Everyone has called our demands fair. That is what the president said. They can be realized. Why is the voice of the workers class not being heeded? We live here, as you see, in bad conditions. You should have been the first to stand up, the striker said to Kastriot Islami, to get rid of the bureaucracy from the administration and the former government.

The striker Kujtim Mehmeti said: I am 34 years old. I have worked in the mine for years on end. The parliament has been dealing with a single item on the agenda for three days. They insult people, and insult each other. Meanwhile, we are living only on water with mineral salts, mixed with glucose supplied by medical orderlies. We demand an improvement in our economic situation solely through the fulfillment of our demands, because we have not been able to achieve decent living standards for years. We will not leave the galleries before our demands are met. I therefore call on all deputies, of whatever party, to look at what is going on. We have followed the Assembly's proceedings on the radio, the speeches of both sides, and this parliament will not produce the right solution for us.

Tefik Nushi said that we must live (?in peace with each other), and I think this can be achieved by new elections, which will win the people's trust.

The mine director then spoke, and said that we will support (?the kind of government) that produces solutions that guarantees a future for the country's people. In these elections, we wanted to vote for people from the grass roots, who know the country's life and grievances.

I recognize your duty as president of the Presidency, deputy Azem Hajdari said. We will be at pains to find a solution that satisfies all sides.

Kastriot Islami, Azem Hajdari, and Sabri Godo then went to visit the striking miners in Gallery No. 28. Genc Kalaja spoke in the name of the striking miners immured there. We are pleased that you have come, he said. You are welcome as the first president of the first pluralist Albanian parliament. However, you could have begun your speech better with some self-criticism. I say this frankly, because we must speak totally candidly. Let us start with the speeches in the parliament. It is said that we have political demands. However, I tell you that they are entirely economic. We want your energetic intervention for a concrete solution to our demands. We thank Albanian Workers Party Deputy Mehmet Loci for his speech about us in the parliament.

Deputy Azem Hajdari said to the striking miners that problems will be raised in the parliament in a coolheaded way. Hotheads must not win. Nobody will touch you when you come out of the mine.

In the end, the miners said that if they had not wished the country well, they would have fled as refugees. But they stressed again that their demands must be raised more strongly in the parliament, with a solution as soon as possible.

The report I have just read was compiled by television journalist Ferdinand Samarxhiu.

Update on Hunger Strikes

AU0206143291

[Editorial Report] Tirana Radio Tirana Network in Albanian at 1330 GMT on 2 June devotes four minutes of its regular 30-minute newscast to reports on the continuing hunger strikes in the Valias mine and elsewhere in the country.

The announcer states: "We telephoned the manager of the Valias mine this morning, who told us that the hunger strike is still continuing today."

In a telephone report, Pogradec correspondent Iljaz Spiro states: The hunger strike in the Verdove mine in Pogradec District has entered its sixth day. The state of health of those underground has further deteriorated."

An announcer-read report states that Berat District Executive Committee reports that the hunger strike there is also still continuing. "It has entered its sixth day. Representatives of 12 Berat enterprises are involved. According to doctors, the state of health of the strikers is very serious, and all are experiencing headaches and stomach pains, general exhaustion, and high temperatures."

Valias Strikers Condition 'Critical'

AU0306152091

[Editorial Report] Tirana Radio Tirana Network in Albanian at 1330 GMT on 3 June devotes 20 minutes of its regular 30-minute newscast to reports on the continuing hunger strikes at the Valias mine and elsewhere in the country. Reception is fair to unmonitorable.

Sokol Perihati states: "The general strike and the hunger strikes declared in many enterprises such as the Valias mine and the Tirana glass works, the Verdove mine in Pogradec, the Bulqize mine, and in the cities of Shkoder, Durres, Elbasan, Berat, etc. are still continuing today. As the days have passed, the condition of the strikers has reached a critical point. The situation is now changing every hour, and a question mark hangs over the strikers' lives. The entire nation's attention is concentrated on their state of health. We therefore went to the Health Ministry today for more specific information. A report on an inspection conducted by the Ministry's Medical Directorate describes the situation in the Valias mine. The state of health of the strikers is declining fast, because of their exhaustion after 10 days on hunger strike. The strikers now have severe symptoms of low pulse, arterial hypertension, heart problems, etc. The medical team's efforts concentrated on the necessary assistance in supplying water mixed with mineral salts and vitamins, including glucose and other elements vital to the body. Between 0800 on 2 June and 0800 on 3 June, 28 miners required urgent medical aid. Three miners in very serious condition were taken for treatment to Hospital No. 1. Twenty-eight miners were treated by the medical team from the Health Center, which includes a cardiologist, a surgeon [words indistinct]. Despite their extremely serious condition, all the strikers are determined to remain below ground in order to continue their hunger strike. The health of hunger strikers in other places where strikes are taking place is also deteriorating fast."

In a telephone report from Bulqize, a correspondent states: "Those walled up on hunger strike in Bulqize's No. 1 Sector are passing through difficult times. They are affected by all the symptoms of starvation. After meeting eight deputies, they stated that they will remain where they are until their demands are met. Three of them returned to the coal face after treatment at Bulqize Hospital. However, it must be said that work continues in the district's 33 enterprises." "The workers at the marble quarry have expressed solidarity with the general strike, but they have not stopped work because their production is for export. However, this has been no help, because the Durres Truck Fleet has stopped their transportation. The Diber Truck Fleet has been loading regularly; even though the drivers were threatened, their windshields were broken, and their goods were seized by force, they did not stop work in transporting goods vital for the people from Milot and Durres." "We learned today at Peshkopi Police Station that ten people who raided the premises of the No. 1 Tailor's Shop, the knitwear workers and the shoemakers were arrested, as well as the looters of the storehouses of the Korabi Sports Club and the communal trade sector."

In a telephone report, a Librazhd correspondent states: "The district's enterprises are faced with major economic and financial difficulties. Work continues, although working people are in full solidarity with the demands of the strikers."

A Puke correspondent states that: "The Union of Independent Trade Unions [BSPSh] in Puke District organized a solidarity rally today in front of the Zenel Kadriu House of Culture in support of the general strike, the hunger strikers of Valias, Shkoder, the Durres railroad workers, and especially their comrades from Fushe Arrez who are now in their fifth day on hunger strike." "After the rally, the participants demonstrated peacefully in the town's streets, dispersing to their homes peacefully after one hour." A group of eight deputies is reported to have visited the Fushe Arrez hunger strikers, who refused to end their strike, saying: "Our living and working conditions are wretched. Our low wages do not correspond to the work we have done. We have contributed much more than we have taken. Look at the Fushe Arrez market yourself: It is totally empty."

A largely indistinct report from Durres states that the railroad workers' hunger strike is entering its seventh day.

The announcer states: "The BSPSh, under highly difficult conditions of communications, is watching and directing this great strike that has spread virtually throughout the entire country, and is firmest wherever life beats with a stronger pulse. In Tirana, the BSPSh has organized solidarity rallies with the general strike almost every day. This morning too, the BSPSh organized a solidarity rally in the

Dinamo Stadium." The rally is reported to have held "one minute's silence in honor of the victims of democracy who fell in Shkoder on 2 April." A trade union leader is reported as speaking on "the serious condition of the hunger strikers and the support the collectives of the capital city are giving them." "He condemned the silence of the government and its indifference to the lives of the miners." A largely unmonitorable 2-minute recording of a speech at the rally follows. Another speaker at the rally is reported as saying: "The Independent Miners Union no longer insists on the demands submitted by the BSPSh, but demands the government's resignation. He also expressed his indignation at the accusations laid against the BSPSh and the striking workers about the political character of their struggle, stressing: Do we have no right to take part in politics? Is this the exclusive right of bureaucrats? We will take part in politics, but will pursue a policy that benefits workers, their prosperity, and the defense of their rights. We are not dealing with politics for the sake of rule from armchairs. Our struggle is honest and humane." Azem Hajdari and "the mother of the martyr for democracy Arben Broci," are also reported as speaking at the rally. "The rally took place in accordance with the regulations, and people dispersed peacefully."

The announcer states: "A BSPSh declaration sent to Albanian Radio-Television reemphasizes the BSPSh's insistence on the fulfillment of its 17 demands submitted to the government on 9 April. The declaration also stresses that the general strike and the Valias miners' hunger strike will continue until their demands are conclusively met. The government and the People's Assembly are responsible for this."

Miners' Leader Calls For Mass Strike

AU0306193291 Tirana Radio Tirana Network in Albanian 1800 GMT 3 Jun 91

[Timo Luto report—recorded]

[Text] The hunger strike at the Valias mine has entered its 11th day, perhaps the only hunger strike ever to do so. In other cities, hunger strikers are also going through difficult times. The number of strikers sent to the hospitals for intensive treatment because of their extremely severe condition has begun to increase. Many have rejected medical assistance, determined in their self-sacrifice. Meanwhile, our distress and worry over these people squatting in their mine galleries increases day by day. We have become highly sensitive to every event these days. The Union of Independent Albanian Trade Unions [BSPSh], under highly difficult conditions of communications, is watching and directing this great strike that has spread virtually throughout the entire country, and is firmest wherever life beats with a stronger pulse.

In Tirana, the BSPSh has organized solidarity rallies with the general strike almost every day. This morning too, the Tirana BSPSh organized a solidarity rally in the Dinamo Stadium. People came to every entrance of the stadium, filling the sports field and sitting down. Many others filled the stadium's terraces. Most people tied headbands around their heads in imitation of the hunger strikers, symbolically expressing their full solidarity with them. The demonstrators held up various slogans such as: Meet our demands; Murderers before the courts; Down with bureaucracy; Long live the BSPSh.

Amidst great enthusiasm and many cheers, (?Hyqmet Melazi), chairman of the Tirana BSPSh, opened the rally. He called on those present to observe one minute's silence in honor of the martyrs of democracy who fell in Shkoder on 2 April. The demonstrators stood in silence with two fingers raised in salute.

Hysen Bardhi, chairman of the Tirana Strike Commission, then spoke about the serious condition of the hunger strikers and the support the collectives of the capital city and even the peasantry are giving them. He condemned the silence of the government and its indifference to the lives of the miners.

Shyqri Xibri, chairman of the Independent Miners Union, then spoke.

[Begin Xibri recording] Before I speak, I wish to issue to you an appeal prepared by the Strike Committee today. Today, the miners walled up in the galleries of Valias are entering the eleventh day of their strike. Their state of health is now very serious, and the doctors are insistently demanding an end to the hunger strike. As the hours pass, not even the strikers' lives can be guaranteed. I call on all the miners of Tirana to use the last democratic means available to them—a mass hunger strike. [Cheers] The strike will take place tomorrow on 4 June in the cinema at Valias. We will set off from [words indistinct] between 0630 and 1030. [end recording]

He then spoke about the critical state of health of the hunger strikers and said that, as a result of a total loss of confidence, the Independent Miners Union no longer insists on the demands submitted by the BSPSh, but demands the government's resignation. He also expressed his indignation at the accusations laid against the BSPSh and the striking workers about the political character of their struggle, stressing: Do we have no right to take part in politics? Is this the exclusive right of bureaucrats? We will take part in politics, but will pursue a policy that benefits workers, their prosperity, and the defense of their rights. We are not dealing with politics for the sake of rule from armchairs. Our struggle is just, honest, and humane.

The rally was then greeted by representatives of different collectives from the Tirana coal basin, the transportation sector, the tractor combine, the textile combine, the railroads, the Independent Teachers Union, and speakers from other districts. Azem Hajdari and the mother of the martyr for democracy Arben Broci, Artist of the People [name indistinct], and others then spoke. At the end of the rally, an open letter was sent to the People's Assembly. The rally took place in accordance with the regulations, and people dispersed peacefully.

SDS Current Situation, Changes Assessed

AU0406065991 Sofia BTA in English 1839 GMT 3 Jun 91

[Iva Toncheva report]

[Text] Sofia, June 3 (BTA)—It is expected that the National Conference of the Union of Democratic Forces (SDS) due to be held on June 22-23 will settle the disputes in the union.

The conflicts, which are not only between the moderates and the radicals but also between the parties and organizations within the SDS, have been deepening over the last month and threaten the existence of the union.

The Bulgarian Social Democratic Party (BSDP), the most influential SDS party, has been losing individual members, local organizations and clubs. The same holds true for the Green Party. The conflicts within the Nikola Petkov Bulgarian Agrarian Party are rather subdued probably because its members are preoccupied with the idea of a possible unification with the formal Bulgarian Agrarian Party.

Ecoglasnost, one of the first Bulgarian dissident organizations, which only a few months ago had the highest rating among the SDS organizations, is also torn by conflicts. At a conference late last week Ecoglasnost ousted a number of its former leaders while other popular activists submitted their resignations. It is worth noting that some of the founders of the movement have already left it. The key problem is well-known: While the Ekoglasnost Conference insists on the SDS being a nation-wide movement, its M.P.'s who remained in parliament oppose this idea. They do not want to comply to the decisions of the conference urging them to walk out of parliament by June 7.

Many observers note the regrouping that is taking place in the SDS but argue that it is not fatal. Having acknowledged some of its mistakes: The compromises it made at the round table talks in the spring of 1990, its participation in the coalition government, etc., the opposition is now revealing its new image. The problem of whether the SDS should be a movement or a coalition of independent parties is a minor one.

DEMOKRATSIYA Views Opposition Crisis

AU0206210191 Sofia DEMOKRATSIYA in Bulgarian 27 May 91 p 1

[Volen Siderov article: "The Question of Power Determines the Outcome of the Crisis"]

[Text] It has become evident that we cannot play the role of an opposition and of a ruling force at the same time. Today no one can any longer convince the voters that the Union of Democratic Forces [SDS] is not responsible for the price increases and for the future unemployment. No one can convince the people that they should wait for the next agreement with the Communist Party. No one could plausibly convince the people, without risking being jeered at, that the current draft constitution is satisfactory and that it does not represent another deal guaranteeing the impunity of those who are guilty of crimes against the nation. What should we do under such circumstances?

The SDS members of the legislature who did not walk out of the National Assembly should abandon all delusions about a possible agreement with the politically bankrupt Bulgarian Socialist Party [BSP]. Those among them who are honestly working for the cause of the opposition and not for their own party, or for their own selfish interests, should finally realize that each day they waste is an irrevocable loss for themselves as politicians, for the SDS, and for the country as a whole. Everyone, except perhaps the Eskimos, has told us so.

The president of the republic recently committed himself to the proposal on agreeing about elections in May 1991. Let us finally hear what he has to say about the postponement. Is he not the most likely figure expected to consolidate the unity of the SDS and should he not remember the time when he was the SDS leader? If we continue to pay tribute to the demagogic attitude, called the supra-party approach, we will even swallow the last bait of the Communist Party, which no one would ever forgive us for.

Both our weakness in the legislature and the differences between the SDS deputies, in addition to the half-hearted reforms, stem from the same cause—namely the unresolved problem of depriving the BSP of all the power and of transferring it to the united opposition, headed by the SDS. Without resolving this question, we will continue to turn around in a vicious circle. Nevertheless, before becoming the ruling force, we should provide evidence of our total credibility as an opposition. Having become politically mature, our voters perfectly comprehend all attempts at beating around the bush. I would advise those deputies who remained in the legislature to visit their constituencies as soon as possible and to talk to as many people as possible, reassuring them that they have stopped playing political games. Whoever is incapable of doing so should renounce his political ambitions. The upcoming elections will no longer tolerate any fishing in muddy waters. The period following the elections, however, will demand more serious activities than flirting with Socialists in the legislature's lobbies. After the next elections, we will be simply expected to rule the country.

USSR Viewed as Security Guarantor

AU0206203391 Sofia BULGARSKA ARMIYA in Bulgarian 28 May 91 pp 1, 2

[Lieutenant Colonel Boris Fingarov article: "Seeking Guarantees, Allies, and Treaties"]

[Text] Years ago, when the anecdote was the only vehicle of free intellectual expression and was viewed even as an act of resistance against absolute power, the following

anecdote became very popular: A Pole was asked when the Bulgarians would live well [dobre]. The Pole answered: "You lived gut [preceding word in German; good]! Now you are khorosho [preceding word in Russian; well]! You could be all right, however, you will never be well [dobre]." One could say—this is an old anecdote. Nevertheless, it is very topical and simultaneously characterizes to a large degree both the Bulgarians, their frequently corrupt political leaders, and the present situation in the country.

The main question asked at present is where to and with whom shall we conduct our political line?

Now we frequently speak about Bulgaria's guarantors and allies. However, when one ignores, underestimates, or does not see the role and place of the USSR, we take the risk of acquiring exceptional political shortsightedness, which if nothing less, would place us in a ridiculous situation.

Already at the outset I would like to declare that in the past, as well as now, I personally see no other alternative for us except strengthening relations with the USSR, including through signing a bilateral treaty on mutual assistance. I do not mean the broadly publicized "traditional relations of fraternity and friendship with the great Russian people," of the period of totalitarianism. Such relations are not in our interest, and they hardly serve the Soviet interests under the present conditions.

One of the arguments for renewing the treaty with the USSR is both emotional and pragmatic. This is the Slavonic origin of our countries, the proximity in customs and traditions, and if you will, the proximity evoked by the last years of the development of the former socialist states. Those are historical feelings our nations have shared for centuries. Perhaps certain people do not like this. However, what has been acquired throughout the years and imprinted in one's awareness, can hardly be erased or replaced, as if a blackboard or a recording tape were involved. We have proven many times in our history, and continue to prove, that we can switch our political direction 180 degrees in an attempt to indulge a politician or a powerful person. Thus, we used to change history, policy, and all related factors.

The second argument, because of which I see the USSR as a guarantor and ally, recently became the subject of many speculations. Those are the questions about the existence of "secret" interests in the Balkans. One can sense the striving of many circles, strata, and political leaders to prove that during the Russian-Turkish War Russia had "selfish goals," and was not led only by "fraternal feelings." I can only congratulate those who made this "epochal" discovery. However, I have a small remark. Why do they not read the history textbooks from the period of totalitarianism? There they could find it clearly spelled out that the government of Nikolay II indeed had secret goals, which were diametrically opposite to the campaign that was being conducted at the time in Russia, and the mood and feelings of both peoples. Thus the question is what were the interests of that specific Russian Government. Furthermore, those interests are to a large degree identical to the interests of the Soviet Government, and remain so today.

From a military point of view the Balkans have strategic importance in Europe as a route, direction, and a gate to the Near and Middle East. We are situated at a crossroad, which if closed down by Bulgaria, Greece, or Turkey, could place Europe in a grave raw material crisis. Therefore, NATO views the area of the straits as a strategic target. How does the USSR view the Balkans and is there a difference in the "interests" of the powers? For the USSR we are a flank and a neighbor that could weaken, and under certain conditions even threaten the southern flank of the military troops in Central Europe. Simultaneously, the possibility exists of a deep penetration by an outflanking movement, through the Black Sea, thus gaining a rather free access. This in a few words is the basic difference between the interests.

Those who understand military tactics can confirm that a difference exists in the attitude of the military toward the "route" and the attitude toward the neighbors from the right and the left. One always protects his route with his own forces and means, and is interested in not having a strong opponent along the route. The attitude toward one's neighbor is quite the opposite. He must be strengthened to guard and protect the relevant country. If this is the situation, is it not only natural to seek an ally interested in helping us to be strong, rather than an ally interested in weakening our military potential?

The next argument that favors relations with the USSR is our country's geographic location. I have nothing against the United States, and will even greet developing closer relations on an equal basis. But, if you permit me, what is the efficiency of the military assistance we could receive from our future Western allies? Undoubtedly, the U.S. military potential is great. However, if the assistance we will get resembles the one Cyprus or even Kuwait received, then this will be locking the stable door after the horse has been stolen. This cannot satisfy us. Furthermore, we are neither Cyprus nor Kuwait.

Our relations with Turkey are another argument for continuing our relations with the USSR. No matter how often people assure me that we are almost brothers with our southern neighbors, and that the road to Europe passes through the Bosphorus, I refuse to agree. As long as this neighbor [Fingarov consistently uses the rather patronizing Turkish word for neighbor—komshiya—each time he refers to Turkey] of ours maintains an army of 800,000 soldiers, modernizes its troops, increases its weapons, and refrains from disarmament, every assurance is groundless.

Allow me to pose two additional questions from a military point of view. The first is, who sits on the tail of this "selfless" neighbor of ours? The United States, Germany, or perhaps, Canada? I firmly believe that as long as a treaty exists between Bulgaria and the USSR we

can embrace Turkey as a good neighbor and drink coffee together. I do not think that this would be the situation without a treaty with the USSR!

The second question is more difficult. I leave the answer to wiser and more mature people who understand politics. The question is who is our neighbor's most ardent ally? If the answer is the one I expect to receive, then I have an additional question. Will they spoil their friendship because of us? Especially as the key to the Black Sea is not in our hands but in the hands of the neighbor!

In addition to the well-known economic consideration I wish to add an "insignificant" detail. Because everyone claims that we must give priority to developing agriculture, tourism, and certain light industry branches, who will provide us with equipment, shells, and spare parts for the Army? This question applies both to times of peace and war.

Soviet Treaty Viewed in National Interest

AU0306144691 Sofia ANTENI in Bulgarian 29 May 91 p 9

[Lyubomir Marinov article: "Our National Interest Is the Bottom Line"]

[Excerpt] [Passage omitted] The Soviet Union, Russia, is our natural ally. Just as blood does not turn into water, so the Slavonic community has been the main stay of the Bulgarian soul, the Bulgarian national spirit during years of difficulty. We ought not and cannot renounce it. If we do, future generations will not forgive this act. At the same time, I would like to emphasize that while supporting the signing of an agreement with the USSR, I do not plead for it to be renewed in the old spirit or for the country to be voluntarily subservient to its big brother. I mean a new agreement between equal and sovereign partners, a contractually legal basis for developing relations between the two Slavonic countries.

What the agreement will be called hardly matters. The main thing is what we, as a state, as a country, invest in it in negotiations and in the agreement. Do we want a clause that guarantees timely and adequate help in the interest of our national security , or are we ready to relinquish it, because we are led by transitory and more distant purposes that are still to a certain extent unreal. And what happens if tomorrow, God forbid, the irreparable occurs and, before we have been "integrated" into Europe, we are partitioned or simply overrun, even if restoration of our national independence does follow?

I am not one of those people who think that a direct military threat exists against the country at the moment. However, events develop so quickly that things could be radically different tomorrow. That is exactly why guarantees for our national security are necessary. In reality, the agreement with the USSR can give us these for the time being. Moreover, the request not to participate in alliances directed against one of the contracting countries can hardly be seen as acting against our interests or thought of as a serious obstacle along the road towards a united Europe. The all-European confederation in the long run presupposes the equality of all its participants, an equal guarantee of security for the large and small countries alike while preserving the national identity of every nation. Besides this, in the West they honor their own interests, while understanding and respecting the legal requests of their partners.

I also do not share the concern that a similar agreement with an "unstable" partner like the USSR will not give the country the guarantees it seeks. This is because the USSR will remain a great power, a sought-after and desirable partner. This is demonstrated by visits to the USSR of leaders from such countries as France, Great Britain, Italy, and Germany. In addition, under no circumstances, should we forget, regardless of any assurances, that the Orient still remains the Orient, and the words of Turkish President Turgut Ozal that the 21st century will be Turkey's century in the Balkans.

And finally, misgivings that we need an agreement with a country "with a different social system" could hardly be taken seriously, because the bottom line is and will be the national interest, the guaranteeing of our national security.

Deputy Prime Minister Tomov on New Fuel Prices

AU0306203791 Sofia BTA in English 1918 GMT 3 Jun 91

[Text] Sofia, June 3 (BTA)—Today the government liberalized the prices of liquid fuels which from now on will be calculated on the basis of international prices and the exchange rate of the Bulgarian lev against the U.S. dollar. The current exchange rate set by the National Bank of Bulgaria is 18 Bulgarian levs for one U.S. dollar.

Mr. Aleksandur Tomov, deputy prime minister, told the press that the prices of liquid fuels should not exceed the maximum prices fixed monthly by the government. The liberalization of prices will be pegged to international prices and the exchange rate of the Bulgarian lev, thus limiting the opportunities for speculation by state and private producers and oil importers. By taking this step the government hopes to limit the over-consumption of fuels in the state and private sector. Mr. Tomov urged for "extremely great savings" because the budget can no longer allocate funds to subsidise fuel prices. Mr. Tomov expressed his hope that this measure taken by the government at the most appropriate time, the beginning of the summer, will help overcome the stagnation in production as well.

The maximum prices of electricity, natural gas and coals for industrial and household consumption fixed by the government come close to international prices.

The government's decree is in line with the economic reform, Mr. Tomov said. The deputy prime minister stressed that by making the process of calculating fuel prices known to the public the government hopes to rule out possibilities for profiteering.

Government Adopts New Rules on Taxation

AU0306203891 Sofia BTA in English 1843 GMT 3 Jun 91

[Text] Sofia, June 3 (BTA)—The Bulgarian Taxation Administration will be subordinated to the Ministry of Finance. Until now it was also controlled by the local bodies of power. The finance minister grounded the bill which was approved by the Council of Ministers today with the necessity to regulate the levying of taxes in which, according to him, now there is utter chaos. At the same time, in order to guarantee the interests of taxpayers, they will be given the opportunity to appeal in court the size of the taxes levied from them. Until now the legislation provided for lodging appeals also through administrative channels.

The bill on the amendment of local taxation fees, approved by the cabinet, does away the the tax concessions on the immovable property of the cooperative farms established after the collectivization of the land in the 50s.

Tripartite Commission on Social Minimum Wages

AU0306193691 Sofia BTA in English 1725 GMT 3 Jun 91

[Text] Sofia, June 3 (BTA)—At its meeting today the Tripartite Commission for Harmonizing Interests discussed ways of determining the social minimum, the minimum wage, the possibilities for paying compensations and the term for proceeding to free wage contracts.

On the basis of the updated budget bill the government offered a minimum wage of 600 leva, while the Confederation of Independent Trade Unions insisted on 670 leva and the Podkrepa Labor Confederation demanded about 830 leva. Under the operative legislation, the minimum pension should be 75 per cent of the minimum wage. At present the minimum wage is 500 leva.

The commission reached an agreement in principle that the government is to decontrol the prices of fuels and electric power and the tripartite commission is to discuss the ways for providing a 100-per cent compensation for the population. This agreement failed to become a decision of the commission, as the representatives of the Podkrepa Labor Confederation did not appear after the lunch break. Nevertheless, the Council of Ministers will consider the draft decree for liberalizing the prices of fuels.

The Podkrepa Labor Confederation wants the prime minister's commitment to the talks. The prime minister, however, has left for France. The spokesman for Podkrepa explained the refusal to attend the last phase of the meeting with Podkrepa's decision to negotiate with the government only when it has concrete things to offer. Before the meeting the leader of Podkrepa stated that the confederation "backs the government."

Prosecutor Warns Against Land Law Violations

AU0306193591 Sofia BTA in English 1747 GMT 3 Jun 91

[Text] Sofia, June 3 (BTA)—So far the Chief Prosecutor's Office has issued over 600 warnings, signals and proposals in connection with violations of the Arable Land Ownership and Use Act. 369 Inquiries have been made and 67 cases have been filed against people accused of taking possession over land on which they have no legal rights. 39 warrants have been issued to evict the offenders from the land they have occupied.

These facts are pointed out in an official statement of the Chief Prosecutor's Office received at BTA today. The statement comes in answer to an inquiry by the Grand National Assembly concerning instances of adverse possession in the village of Vinarovo, Mikhaylovgrad region. The document says that cases of adverse possession are continuing in this country despite appeals by the Chief Prosecutor's Office urging citizens to observe the Law.

The Chief Prosecutor's Office once again calls on the citizens to refrain from actions that may provoke undesirable conflicts and emphasizes that land ownership should be restored in accordance with the Law.

Havel Interviewed on Screening, Parties

LD0206175191 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1215 GMT 2 Jun 91

[Interview with President Vaclav Havel by Jiri Vejvoda at Lany presidential residence on 1 June: "Conversations at Lany"—recorded]

[Excerpts] [Passage omitted] [Vejvoda] Mr. President, at one of the news conferences you gave in Scandinavia I believe the issue of screening which is current here at home came up, and you also spoke about this briefly last week in your radio interview last Sunday [26 May], so I would like to know if your attitude to this painful but necessary matter has openly crystallized in some way.

[Havel] [Passage omitted] On the matter of screening, I have been troubled for some time now by the particular way in which this whole matter came up and has developed. I have thought a great deal about how this whole matter could be ordered in a dignified and civilized way, and of course I am not the only one who has been thinking about this. It seems that an outline of a bill is taking shape in parliament to put this whole affair into a legal framework, and the government has also been asked to draft the preamble to such a bill.

Many politicians are involved in this, I have spoken with them, and what I think about this is not a personal invention, but an idea which is being floated about—something which has occurred to a number of people in parallel. It would mean setting up a small office, probably in association with a court, which would employ a few people bound to secrecy and which would be obliged to provide citizens on request with a copy of their screening record or allow them to see what is in their file. In principle, I think we should proceed from the position of the citizen. The citizen has the right to find out what the files contain on him, what is entered in them, whether there is any entry at all, and so on.

At the same time, however, I oppose publication en masse. This is an immensely dangerous thing which could result in an enormous amount of injustice because each case is different, with all sorts of complications. It could also lead to the persecution of children and even grandchildren, particularly if the matter goes back into the past. So it seems to me that making it public in this way is not a good thing, but nonetheless this is something which naturally needs to be dealt with.

Certain institutions would have the duty and others would have the right—I mean they would all have the right, but only some would have the duty—to ask those whom they wish to employ in certain senior posts or people who are to be elected to some posts to produce an attestation from that office, something like the document showing evidence of any criminal record. Anyone who is not sure of himself or who goes there and finds there is some entry on him would simply not apply for the post and, without him being named in public or scandalized, it would simply be impossible for him to be given the post. [passage omitted]

I think it could be handled in this way, and everyone would then know beforehand—that means that everyone would find out for himself beforehand and would know that there was no point in applying [for certain jobs]. [passage omitted]

Another aspect is that some disputed cases could arise. Someone could feel that the records and files accuse him unjustly, that things were not like that at all, that he has been wronged, that they entered him without his knowledge and perhaps falsified his record, or else that he was blackmailed, and so on. Some of these cases, especially the older ones going back to the fifties, are very complicated.

Anyone who felt that the records accused him unjustly and wanted to make a public issue of it would have the right to appeal publicly to an independent tribunal outside the normal structure of the judiciary. It would be what I would call a politico-moral tribunal, a sort of jury, because in most cases we are not talking about a criminal matter, but a moral-political trespass which it would be difficult to pursue under normal judicial processes. There would be one or, as the case may be, three—two republican and one federal—jury benches made up of universally respected and entirely reputable people to which that person could appeal. They would study all the available records, testimonies, and his own statement and would deliver their finding on his probity or possible guilt. It seems to me that this whole matter, which would be somewhat similar to the denazification process in Germany, Italy, or Austria should be time limited. In my view it should not take longer than, say, two years and then a thick line should be drawn to say that we have hereby come to terms with the past, we have looked it in the face, we have judged the extent of people's guilt for and contribution to the years of lack of freedom, and the time should come when the whole matter is locked away in some well-guarded archive and that is the end of it.

That, at least, is my personal view and I have found that a number of different people are inclined to something similar. So let us trust that parliament will hammer out some sort of law which, either in this spirit and in this way or some other way, will give this matter legal respectability. [passage omitted]

[Vejvoda] Mr. President, I think I need to return to another round of constitutional talks held in Budmerice on 31 May which was interrupted by an unfortunate event. Do you think you could have progressed even more on that day, and what have you in fact reached? This is a question many people are interested in.

[Havel] As the talks were broken off in full flow, we agreed that we would not speak about them too much, at least until a certain stage is reached. That is why I cannot tell you much about them. Nevertheless, I think I can tell you at least something.

Various political parties represented in all the three parliaments submitted their current views, one after the other, comprehensively and consistently, regarding our future constitutional set-up, the content of the Federal constitution, the procedure of its adoption. Federal Assembly Chairman Alexander Dubcek briefed us about the work of the Assembly commission which continues its work on the Federal constitution although it has not so far tackled or discussed the pillars of the constitution, precisely because they have not yet been agreed on by the politicians.

Why did I stress that they expressed their current views? It is because the views of the political parties and alliances have undergone a certain development, as their views keep gradually changing under the pressure of life, under the pressure of various experiences and knowledge, etc. It is a gradual process and a certain change, however small, is being taken by personalities and political forces of various orientation.

They simply expressed their views there. Nobody cast doubts on the existence of the Federation—all are in favor of a common federative state. Even Mr. Prokes, chairman of the Slovak National Party, did not say that he would on principle oppose the coexistence of the Czechs and Slovaks in one common state. He only said that it is necessary to state clearly the reasons why they should live together, to define clearly the idea and purpose of political coexistence.

Of course, various differences emerged. Some kind of a zone of issues on which we agreed took shape, and I was very pleased that this zone included also the issue of power-sharing, which until recently was a very sore point. Generally, all or almost all agreed—or at least, nobody protested strongly—that many powers could be passed to the republics painlessly and for the general good, and that with some other powers it makes sense to return them to the level of the Federation, as the republics themselves acknowledged. Perhaps there will be no more big conflicts on this issue. Nobody cast doubt on the fact that defense, foreign policy, currency, and fundamental legislature must be preserved within the powers of the Federation, as they are the principal attributes of a common federative state.

Another zone includes views which differ, but where hope for agreement exists. Then there are some things on which there is no agreement and perhaps will hardly ever be.

Nevertheless, this does not mean that our state will disintegrate and that we will be without a constitution. This simply means that people hold different views—and this is normal in a democracy. [passage omitted]

I would also like to say one thing about which you, in fact, also asked. I am really a bit alarmed about how parties' interests play a bigger and bigger role every day. You know well, and I have spoken about it already several times in these Conversations, that I am opposed to the emphasis on party affiliation in the political and electoral system. This was the misfortune of Czechoslovak policy from the foundation of the republic and we have returned to it again recently. Sometimes I feel that the election camapign is in full flow despite the fact that there is still a year to go before the elections. Much will depend on the new election law to fight this danger in some way. I am a bit sad when I see parties' speculations and election calculations getting in the way of tackling various very important things which we must tackle, which we tackle every day, and which we attempt to tackle in the best interest of all our citizens, in the best interest of our entire country. And when this also has an impact on talks on the constitutions, on the future constitutional form of our state, then it is really sad and alarming.

Watching the news we often see that in fact more time is taken by various political conflicts of various personalities, guessing which party has or has not the right to have a certain ministerial post and so on than is given to tackling specific tasks.

Probably this is one of the infantile disorders of our young democracy and we will have to find the medicine to fight this illness. [passage omitted]

Dlouhy Comments on Arms Conversion

AU0306124291 Prague CTK in English 2033 GMT 30 May 91

[Text] Prague May 30 (CTK)— Czechoslovak Economics Minister Vladimir Dlouhy today said the Czechoslovak Government has chosen the economically most effective way of solving the issue of the arms industry, i.e. combination of conversion and partial preservation of the arms production.

Speaking to journalists after a government session today, Dlouhy said one task of the special 500 million crown fund which will subsidize armaments production this year will be to find foreign markets for Czechoslovak weapons.

Part of the production of Czechoslovak enterprises will meet the needs of the Czechoslovak Army, but will not include heavy weapons, Dlouhy said. He went on to say that arms production in Czechoslovakia climaxed in 1987 when it was worth 29,000 million crowns. Next year it should not exceed 4,000 million crowns counted in the 1989 prices, i.e. about 90 percent less than in 1987, Dlouhy said.

He added that while about 73,000 people were employed in the arms industry in 1987, the number decreased to 40,000-50,000 at the beginning of 1991. Next year the arms industry should employ approximately 15,000 people. The drop in employment in the Czech republic compared with 1987 would be about 20,000, and in the Slovak republic about 38,000.

Dlouhy said that as early as 1989 the former Federal Ministry of Metallurgy, Engineering, and Electrical Engineering obtained a subsidy of 300 million crowns to cut back production in the arms industry. The biggest arms enterprise at Martin, central Slovakia, alone got repayable financial assistance of 400 million crowns. In 1990 subsidies from the Federal Government amounted to 1,200 million crowns, Dlouhy added.

Minister on Possible Slovak Police Force

LD0306163591 Prague CTK in English 1406 GMT 3 Jun 91

[Text] Bratislava June 3 (CTK)—The new law on law enforcement, which was passed by the Slovak National Council (parliament) at the end of May, makes it possible for the Slovak Republic, the smaller of the two constituent parts of Czechoslovakia, to form its own police force.

This was announced by Slovak Interior Minister Ladislav Pittner at a press conference here today.

Pittner also said the law gives police officers new rights, including the right to fire warning shots and the right to use weapons in life-threatening situations.

Pittner said these new rights are necessary because of the internationalisation of crime and the growing aggressivity of criminals.

Also introduced were measures aimed at the protection of Slovakia's economic interests. The police will gather and analyse data on such activities in Slovakia as could adversely affect the republic's economy during the transition to a market economy, Pittner said.

These activities include failure to observe laws governing auctions of state-owned businesses, the illegal transfer of state property to physical persons, smuggling money abroad, money laundering, etc.

Pittner said the Slovak police will cooperate closely with their colleagues in the Czech republic, with the Czechoslovak Interior Ministry and with the Federal Security and Information Service (FIS).

He also referred to the growing numbers of thefts of precious metals, church monuments and antiquities from Slovakia and said there is hard evidence that these thefts are commissioned from abroad.

Regarding international drug-trafficking via Czechoslovakia, Pittner warned that in addition to serving as a transit land along the "Balkan route", Czechoslovakia is in danger of becoming part of the "Soviet route" from the central Asian republics of the USSR to Western Europe.

Greece Supports Efforts To Join EC

LD0306210291 Prague CTK in English 1908 GMT 3 Jun 91

[Text] Prague June 3 (CTK)—Greece is willing to support Czechoslovakia's efforts to achieve an association agreement with the European Community (EC), visiting Greek Foreign Minister Andonis Samaras told his Czechoslovak counterpart Jiri Dientsbier during a meeting here today.

Samaras related his country's experiences when bidding for association and subsequently full-fledged membership of the EC.

During their talks Samaras and Dienstbier said European security is not only a military but also an economic and political issue. They said existing bilateral trade contacts are insufficient and must be broadened, and they signed an agreement on the support and mutual protection of investments. The agreement will be discussed by the two countries' governments and parliaments, and signed by the presidents.

Earlier today Samaras visited the north Bohemian town of Terezin to dedicate a memorial plaque to Greek national hero Alexandros Ypsilantis, leader of the Greek resistance movement against Turkish rule in the first half of the 19th century. In 1823-27 Ypsilantis was imprisoned in the "small fortress" at Terezin. Two months after his release he died in Vienna.

Samaras will have talks tomorrow with Federal Assembly (parliament) Chairman Alexander Dubcek and Economics Minister Vladimir Dlouhy. He will also be received by President Vaclav Havel.

In an interview with CTK Samaras described his visit to free Czechoslovakia as very significant and said that during his talks here he will deal with European unification and cooperation.

Soviet Trade Debt Increases to $4.7 Billion

AU0406074191

[Editorial Report] Prague HOSPODARSKE NOVINY in Czech on 29 May on pages 1 and 3 carries a 1,500-word Blanka Ruzickova article entitled "How To Do Business With the Soviet Union." The article discusses obstacles to Czechoslovak-Soviet trade and the development of trade between the two countries in the first quarter of 1991.

According to Ruzickova, the Czechoslovak-Soviet agreement on payments which went into effect at the beginning of 1991 provides for only two modes of payment—payment in convertible currencies and clearing, a method restricted to the exchange of goods that figure on the so-called "indicative lists" of goods agreed upon by the two sides. Ruzickova says that exchange of goods based on the "indicative lists"

was expected to end in a $400 million Soviet surplus this year. In this way, the Soviet side was to start repaying its debts to Czechoslovakia.

Contrary to these plans, in the first quarter of 1991 Czechoslovak exports to the USSR exceeded imports by $25 million so that "Czechoslovak claims in the USSR have reached a sum of $4.7 billion."

Ruzickova attributes this "unfavorable development" in the first quarter of the year to the following factors—Czechoslovak enterprises' hard currency payment for imports of even those Soviet goods that appear on the "indicative lists," to internal Soviet regulations which "hamstring" foreign trade and make exports economically unattractive, and to confusion about who (the central government or the republics) has control over natural resources in the Soviet Union.

Ruzickova expresses the fear that Czechoslovakia's growing assets in the USSR "might support inflationary tendencies." She also points out that the credits which Czechoslovakia draws from the IMF, the EC, and the World Bank "contain the condition that our assets in the USSR will not increase" because the above institutions do not intend to provide the USSR with indirect financial support in this way.

The article also discusses ways of promoting Czechoslovak-Soviet trade. It quotes J. Zahradnik, deputy chairman of the Czechoslovak State Bank, as saying that there exist two ways of overcoming the Soviets' shortage of hard currency—a "certain subsidization" of Czechoslovak exports to compensate for the difference between credit interest rates charged by Czechoslovak and foreign banks, and the second way, accounting in national currencies. Referring to the first possibility, Zahradnik says that, according to the proposals of a commission established to study the issue, export subsidies should be confined to exports that are linked to raw material imports, to exports by "manufacturers with good prospects," and to "exports carried out within the framework of long-term cooperation." Speaking about accounting in national currencies, Zahradnik says that while the CSFR Government has already approved the conditions for the use of national currencies in mutual trade, the "Soviet Government is expected to approve them next week, according to information from our banking circles." Zahradnik recommends that Czechoslovak enterprises insist on trade in Czechoslovak currency, rather than in rubles.

Concluding her article, Ruzickova mentions that, according to Federal Ministry of Foreign Trade experts, Czechoslovak-Soviet trade might reach 70 percent of last year's volume this year. This is an "optimistic prognosis," however, based on the assumption that the "hidden potentials" of using national currencies in mutual trade are "tapped."

Reportage on Finance Minister's Visit to France

WA0406062091

For reportage on the visit by Finance Minister Vaclav Klaus to France, including reports on his talks with French businessmen and bankers, please see the France section of the 3 June West Europe DAILY REPORT and subsequent issues.

Soviet Troop Withdrawal Accelerated

LD0106042991 Budapest MTI in English 1953 GMT 31 May 91

[Text] Budapest, May 31 (MTI)—Lajos Fur, Hungarian minister of defence, arrived home to Budapest on Friday from his official visit to Bulgaria.

The defence minister reported to the press that he had signed a bilateral military co-operation agreement with his Bulgarian colleague. This was the fourth such agreement that Hungary has signed with an ex-Warsaw pact member. Pertaining to the general areas of co-operation are: consultations on security policy matters, discussions on scientific research projects, co-operation in air defence and aviation. An interesting point of the agreement was that they were able to agree on the upkeep of the Kossuth Lajos Memorial House and Museum in Sumen, respectively the Bulgarian military graves in Hungary and the Museum of Harkany, south Hungary.

During Fur's visit to the military and naval academy, the possibility arose for some officers of the Hungarian Navy to take part in further training at the academy. The president and prime minister of the Republic of Bulgaria received the defence minister and his party.

Hungary's next bilateral co-operation agreement is expected to be signed with Austria, probably in the middle of July. Lieutenant General Antal Annus, state secretary at the Hungarian Ministry of Defence, said that the Soviet troop withdrawals have speeded up. According to the statistics available, there are now a thousand fewer Soviet citizens affiliated to the Southern Army Group in Hungary. Thirty-one objects are to be taken over by the Hungarian side. The talks are to continue on June 10, on the basis of concrete financial assessments.

Defense Official on Soviet Troop Withdrawal

LD0306111591 Budapest Kossuth Radio Network in Hungarian 0445 GMT 3 Jun 91

[Excerpts] Our guest in the studio is Gyorgy Keleti, Defense Ministry spokesman. The weekend papers reported that the Soviet troop withdrawal had accelerated. We know the Soviet troops should leave by 30 June, but this deadline was rather uncertain when Horn and Shevardnadze agreed on the withdrawal.

[Keleti] At the end of last year the Soviet troops were ahead of the schedule detailed in the agreement made on 10 March 1990. You must be aware that any difficulty could evolve from weather conditions to, let us say, rail capacity. They have kept this advantage, and at present less than 1,000 soldiers are still in Hungary. The Soviet Army has no more military equipment on Hungarian territory, other than about 130 vehicles to carry out the necessary transportation. [passage omitted]

[Announcer] Is it true that the Soviet troops, the Soviet chiefs, do not want the grand farewell, with bells ringing, the Hungarian Government is planning? Perhaps it is unpleasant for the Soviet military leadership?

[Keleti] I can imagine that this is unpleasant for them, for an era will end in their history, but first and foremost in our country's history. I think that the Hungarian people have the right to celebrate this day, this event, whichever day of the month it will be. However, I think it can be understood that the Defense Ministry is striving for a worthy commemoration, a worthy farewell party. [passage omitted]

[Announcer] At what stage are the economic talks? When can we expect an agreement? Can certain economic agreements be signed parallel with the withdrawal of the Soviet troops?

[Keleti] The basic agreement states that both sides should try to complete financial talks by the end of the troop withdrawal. No one can accuse the Hungarian side of doing nothing about this, as we took every opportunity to hold discussions with Soviet experts—committees, or groups of higher-level experts. It seems that our efforts will succeed, because a high-ranking delegation from Moscow is expected to arrive in Hungary in the first half of this month. According to our plans, we can come to a final agreement on the financial aspects of the troop withdrawal which will accord with the interests of the Hungarian Republic. [passage omitted]

MTI Details Trade Agreement With Ukraine

LD0106040191 Budapest MTI in English 1736 GMT 31 May 91

[Text] Budapest, May 31 (MTI)—An inter-governmental agreement on direct trade and economic relations was signed by Lajos Berenyi, deputy secretary of state at the Hungarian Ministry of International Economic Relations, and Viktor Antonov, Ukrainian state minister for military industry and transformation, in Budapest on Friday. The Ukraine is the second Soviet republic to conclude such an agreement with Hungary.

The agreement, similar to the ones signed with the federal government and the government of the Russian Republic, calls for applying world market prices and businesslike practices in two-way trade.

The export-import commodity lists, to be collated within two months as part of the economic co-operation contract, include more than 50 million dollars' worth of Ukrainian products, such as iron ore, ammonium, ammonium nitrate, ethyl alcohol, building materials, furniture, excavators and tractors, as well as Hungarian Ikarus buses, farm machines, dairy and meat industry machines, paints and plastic tubes.

The agreement also paves the way for barter transactions.

Barter Contracts Concluded in Moscow

LD0306124591 Budapest MTI in English 1005 GMT 3 Jun 91

[Text] Budapest, June 3, 1991 (MTI-ECONEWS)—A delegation of Hungarian businessmen visiting Moscow last week concluded barter contracts worth a total of $100 million, Mr Arpad Bartha, president and chief executive of the Hungarian Credit Bank told ECONEWS today.

Mr Bartha also revealed that the vice president of the Soviet Union's Foreign Economic Bank promised that the Soviets will open letters of credit worth $12 million to cover Hungarian deliveries of foodstuffs and pharmaceutical products.

Other members of the Hungarian delegation were Sandor Demjan, vice president of the East European Development Company, Pal Ardo, general director of Mogurt Hungarian FTO, and Jeno Madi, vice president of Ikarus busbuilders. The largest barter deal is for the delivery of $40 million worth of Ikarus buses and components to Bashkiria this year in return for crude oil and synthetic rubber.

A Soviet state order for a further 6,000 Ikarus buses this year is still awaiting approval by the central goverment's hard-currency commission, Mr Bartha said. Of these 4,000 would be paid for from the central government's hard-currency quota, and another 2,000 from the quotas of individual republics. As the USSR actually needs 10,000 buses a year, barter deals, the ban on which was recently lifted by the Council of Ministers of the Soviet Union, could enable it to purchase the other 4,000.

The Hungarian delegation also concluded an agreement with representatives of the Russian Federation's Ministry of Supplies to deliver to the republic non-meat foodstuffs and other consumer articles worth $60 million, for which the Russian partner will supply Hungary with non-ferrous metals and other raw materials.

Mr Arpad Bartha also had talks with a number of Soviet banks on cooperation, including assistance in helping the Soviets establish a two-tier banking system. The Hungarian Credit Bank has undertaken to cover the costs of training Soviet experts at the Budapest-based international banker training centre, Mr Arpad bArtha told ECONEWS.

Soviet Bank Official Discusses Outstanding Debts

LD0306163991 Budapest MTI in English 1402 GMT 3 Jun 91

[Text] Budapest, June 3, 1991 (MTI-ECONEWS)—The representative in Hungary of Vnyeshekonombank, the Soviet Foreign Economic Bank, says that practically no changes in Soviet purchases from Hungary can be expected until the first half of June.

Mr Pavel Ilin, deputy manager of the Vnyeshekonombank office in Hungary, told ECONEWS that according to Vnyeshekonombank statistics, Soviet importers had opened L/CS [lines of credit] to the value of $98 million and 9 million DM [German marks] for Hungarian suppliers by June 1.

Positions continue to differ between Hungary and the USSR on the ways and means of settling the Soviet debt, in spite of the fact that several high-ranking Hungarian delegations have recently been to Moscow for talks about the problem.

Hungary would like to have the Soviet Union pay the outstanding amount—which the Hungarian side estimates at 2.2 billion roubles—over two to three years.

A Vnyeshekonombank delegation is coming to Hungary this week to come to some sort of agreement with National Bank of Hungary officials on the exact amount of the debt, which the Soviets say is less than the 2.2 billion roubles the Hungarian side is claiming.

There has been no agreement either on the point of how to settle Soviet claims against Hungary in connection with the troops pull-out.

Finance Minister on Economic Prospects

AU0306102191 Budapest REFORM in Hungarian 24 May 91 p 26

[Interview with Finance Minister Mihaly Kupa by Peter Toke; place and date not given: "The Forint Will Be a Convertible Currency by the End of Next Year and Hungarian Private Capital Will Be Able To Invest Abroad Too"—first paragraph is REFORM introduction]

[Text] The Kupa program would be only promises and it would also be just another never-implemented government program if it was not presented and carried out by a person like Mihaly Kupa. One does not have to be a showman or even a second Torgyan [Smallholder's Party official] to win the masses over. One should speak honestly, clearly, in plain Hungarian, and with a good sense of humor, and make oneself understood by simple people too.

[Toke] In view of all this, how would you sum up your program?

[Kupa] We are now in the phase of survival. It is very difficult to switch over to a new social policy and to new wages. Therefore, people encounter a lot of difficulties in their everyday life, but they must survive, and so must we. We need a clear order of values, so that simple people can also understand that their forint is worth so much today, they must struggle for it, but their money will be worth more tomorrow. If they also want that, we can start on the road of development. There is another explanation too. Let us say that Hungary is a country of mountaineers which is now deep down in the abyss, and

it has to reach the summit from there. We are now deep down in this abyss, it is snowing, and we must go through ice-fields. All this is very difficult, not because of my program, but because I see what the Hungarian people want. Today, we can already see which direction we should take. However, we must also be aware of the fact that we must first build a base-camp down there. This is what we are doing now. This base-camp means that ownership, the laws, taxation, and social security should be clear. In other words, there should be clear conditions. I know that this is very difficult. In plain words, the citizens should precisely know whom they are facing and what rights and obligations they have. We must build this base-camp this year and then we can start upwards toward the next camp. This is not a road on which only two people are advancing, but others too! Therefore, what I can say now is that we now are standing tough, we are fighting, we are encountering setbacks, but there is willingness in the people. They want to have a clean path and to be allowed to act and work.

[Toke] What sacrifices must the population make, and what will they receive in return?

[Kupa] We must make sacrifices but, if someone becomes unemployed, society no longer drops him because there are unemployment benefits, retraining programs, and other means of survival. Those who are employed and manufacturing products that can be sold have no problems. We must now avoid the division of our society into two parts: a "marketable" and a "non-marketable" part. This is what we must now avoid, and this is one of the most important tasks of these two years. How to achieve this? One basis for this is that the people in Hungary want to change things, but they do not want to live worse. I will not expand this subject, this is the way we are. In addition, we must bring as much foreign working capital as possible into Hungary and, if we couple the two, I think we will be able to break out of the present impasse in two years. However, Western entrepreneurs have also told me that Hungary is advancing upward. I told them the following: "You had better beware, because there are peasants who do not know yet whether they can sell their early produce." Their system of interests does not work yet and it is not yet developed on both sides. For example, they do not know their values, what they can represent, and where to take a stand. Therefore, we must create a harmony of interests desired by the people. I know that this is hard work, but we must make clear to everyone where they stand, what chances they have, what support we can count on, and what risk they must take; and we must do this within two years, because nobody tells us what risks we are taking now. Big risks!

[Toke] Halting inflation is also an important condition. It seems to have slowed down in the last two months. Can this level be maintained, or will we reach triple-digit inflation?

[Kupa] No, never. On the contrary! The rate of inflation is decreasing in Hungary. This shows that certain sectors are beginning to come up with a performance that is able to halt the increase in prices. Our economy already has extremely efficient areas that are slowing inflation down. Naturally, inflation could be pushed down to a level under the current two-digit one, but I do not want to make predictions because I do not like to do that. People have confidence in themselves and in the fact that their products will be marketable at home and anywhere else in the world. If we advance on this path, we will be able to push inflation down. But it takes a lot of sacrifices. There will be many unemployed people, we must admit this, because this is the price to be paid. However, those who are employed will break through and will take along those who are temporarily unemployed, and they will create long-term conditions for development that will enable the unemployed to find jobs. A social balance will emerge.

[Toke] Mr. Kupa! You said in Bonn that the forint might become "semi-convertible" by the end of 1992.

[Kupa] I must explain this! The forint could become fully convertible providing that the population is not yet allowed to use their capital for foreign investments in that year. I think this can be done because the Hungarian economy showed a good performance last year and also in the first four months of 1991. If we can bring as many capitalists and bankers as we were talking about in Germany, we will not be in a very big trouble. Two things could guarantee the convertibility of the forint: An internationally recognized good performance by the Hungarian economy and the presence of a lot of foreign capital to support the forint. We must achieve these two things.

[Toke] I believe Hungarian private capital will also be convertible later....

[Kupa] Of course. Once a middle class emerges which includes good skilled workers as well as doctors, an ethical conduct dictated by society will emerge, one that determines a broader scope of private capital....

[Toke] If we want to join the European house and we want to become a member in the EEC, we will also have to allow the free flow of capital.

[Kupa] That is clear and completely evident. If we make it into the EEC by 1996, that will mean for us a free flow of manpower, capital, and services. Foreign capitalists will be able to come to us and purchase factories, real estate, and shares, just as our investors will be able to do in the EEC countries, if these countries offer more attractive conditions and greater profits. We will be prepared for this.

[Toke] As a private person, one could already engage in private ventures in Romania or the CSFR, but we cannot do it.

[Kupa] Let us take eastern Germany where, taking into consideration long-term Hungarian interests, we must obviously invest something there. There is the Ukraine,

and the neighboring countries too. We must think these things over and find ways to do that. We will have a continuous presence in a good place if we have some kind of interest there. We need a partner, and we must work out the ways to acquire partners, because this is a very important issue. This is not yet clear to me, and I very much feel the need for this.

[Toke] For example, our neighbor, the CSFR, is much more flexible in these things....

[Kupa] I do not know, but I will meet Mr. Klaus and I will ask him about this; the surface does not seem so flexible, but deep inside, things are going very well there.

[Toke] The fact that we do not yet know how the trade unions will decide represents a huge risk in your program. If a strike wave begins, the whole thing could slow down and become questionable....

[Kupa] This is a risk that people must be aware of. As long as conflicts can stay within a legal and constitutional framework, I am not against them. We must sit down and discuss the matter and see what we can do. This might slow things down, but one thing should be avoided, namely that one displays a lack of principles in order to win some strata over; in this case, one only sacrifices things, and this will only lead to losses in the long run. In plain words, if strikes break out, we must negotiate and seek an agreement. However, neither side should employ violence or water cannons.

[Toke] Peasants and workers should also establish industrial and agricultural production and service private ventures. Will they be better encouraged for this in the future?

[Kupa] I hope so. Several things are needed for this. We need financial funds or financial institutions that think in the long term and take risks—institutions already operating in other countries. We need an honest formulation of the employees' shares, and people should honestly be told about the risks they are taking. However, all this also needs institutions, not offices but service bodies. We do not have enough of such bodies. People must be told about their possibility, and within this, they can both win and lose. These bodies should be established along the self-governing bodies because these are closer to the people than the state bureaucracy.

[Toke] The way I see it, private entrepreneurs are still lonely wolves and, if they need credit, they can only get it with great difficulty. The banks demand a lot of guarantees and they are extremely finicky....

[Kupa] I do not particularly like a banking system that continues to give credit to bankrupt enterprises on the basis of state guarantees. However, when it comes to a private venture, the banks immediately start to conduct a business policy and describe the big risks and the amount of collateral needed. They should go to hell! This is not the way they should give credit. Banks should also accept some risk, at least 50 percent of the risks.

[Toke] Foreign investors often complain about the extremely big bureaucracy involved in starting a venture in Hungary, the long delays, and the fact that the Hungarian tax system is not encouraging enough.

[Kupa] Although there is no longer need for approval, there is still a lot of bureaucracy involved in registering a business.... We must think about how to honestly deal with the various ventures, irrespective of whether they are Hungarian or foreign ventures. We must also decide which foreigners should receive benefits, and in what areas. This must be done uniformly. Today, we have 51 different benefits on 51 different rights. God knows which is important and which is not. This must be settled as early as this year.

[Toke] How could we better implement the practice of providing receipts?

[Kupa] If two entrepreneurs are in contact with each other, they should give receipts to each other; this is in their mutual interest. I think they will find out what is their common interest in two-three years.

[Toke] The fact that you developed a very good image of yourself is an important part of your policy. You go among the people and you know how to properly popularize your program....

[Kupa] Indeed, I visited a lot of places. However, I did not make an image for myself; people believe in what I am saying. However, this is a very big responsibility, and not a matter of image. I go among the people in order to be convinced by them that we are advancing on the right path, not the government, but the country. Although we have already tried that, it is impossible to force a country to do something. Nor is it possible to bribe people. We must cooperate!

[Toke] What if your attractive personality can no longer convince and soothe the people?

[Kupa] If I lose their confidence, the implementation of this program could also become questionable. In that case, I could only stand up and, as is natural in the Western democracies, I would resign.

Skubiszewski Summons Soviet Charge Over Remarks

LD3105162891 Warsaw Radio Warszawa Network in Polish 1400 GMT 31 May 91

[Text] We have received a report from the Ministry of Foreign Affairs that Minister Krzysztof Skubiszewski has summoned the Soviet Charge d'Affaires, (Lev Klepatskiy), and received him instead of the ambassador of the Soviet Union, who is away from Warsaw.

Minister Skubiszewski declared emphatically that the comments about the Council of Ministers chairman by the Soviet delegate, Minister Gubenko, in his speech to the CSCE symposium in Krakow were in the highest degree intolerable and violated the international code of good conduct.

Walesa Favors Legislative Elections in October

LD0306220591 Warsaw PAP in English 2019 GMT 3 Jun 91

[Text] Gdansk, June 3—Polish President Lech Walesa firmly came out for holding parliamentary elections in October in tune with the electoral law during his meetings on Monday with crews of the three Gdansk enterprises in which he used to work. The meetings have initiated the president's visits to various parts of Poland announced recently.

Addressing his former fellow workers, Walesa underlined that the crucial thing for the normalization of the political and economic life in Poland was to stick to the autumn date of elections. "If need be, I will be a dictator on this issue," he told workers of the "Zremb" building machines factory.

Speaking to newsmen after the meetings, the president said that October 13 or 20 were the likely dates for the ballot. He also said he was not going to accept the provisions in the electoral law prohibiting carrying electoral campaign in churches and depriving Poles living abroad of electoral rights.

Faced with the bitterness of workers over the difficult living conditions and lack of progress in economic reforms, Walesa firmly opposed suggestions of introducing dictatorial rule or setting up a strong presidential party of the Solidarity background. "We needed such unity (...) when we were fighting to overthrow the (communist) system. Today everyone works in his own shoes," he said.

Walesa underlined he was an advocate of ruling with decrees in the transitory period when the old law could not keep up with the changes. "This parliament however will give (the right to issue) decrees neither to the president nor to the government, not to any other group," he stated.

The president appealed for a greater activity of the entire society and recalled that success of individual enterprises should make up the prosperity of the whole country.

Walesa, Bielecki View Farmers' Problems

LD0106122791 Warsaw Radio Warszawa Network in Polish 2005 GMT 31 May 91

[Report on meeting between Polish President Lech Walesa, Prime Minister Jan Krzysztof Bielecki, and farmers' representatives in the Belweder Palace, Warsaw on 31 May—recorded]

[Excerpts] [Unidentified woman] [Words indistinct] to very warmly welcome Mr. Lech Walesa, the president of the Polish Republic. I welcome most warmly all the farmers who have arrived from all parts of Poland; also representatives of the government and government agencies.

For those of you who are not aware of the concept of our meeting, I should like to say that the point is that this should be a meeting of farmers who really work the land—not social or political activists, not leaders of groups—but farmers who really work in the countryside, who work with their heads and their hands, who have ideas as to what to do in the countryside, how to live there. They should tell the president about this, tell each other about this, tell the prime minister about it, and also tell the mass media.

I leave the floor to the true host of this meeting. If you please, Mr. President.

[Walesa] I thank the prime minister and all those interested in agriculture and who are worried by the problems linked to agriculture. We find ourselves at a turning-point in economic changes. Nobody is going to rebuild Poland for us. The implementation of our difficult reforms depends to a large extent on the farmers. We cannot lose all that we have achieved together, all that we have lived through together. I am fully aware of the gravity of the situation in which the whole Polish economy has found itself, and especially its basic department—that of agriculture.

This is, however, a temporary situation. Passing from one system to another should, however, be less painful. I can see the need for corrections in agricultural policy, especially in the area of credits for agriculture. I believe that we should accelerate the process of demonopolization. It is important to make the economic framework of agriculture more efficient. I am thinking here of changes in the state and cooperative sectors.

But we must clearly tell ourselves that we simply cannot afford right now to implement many of the just demands of the farmers. We all know very well in what state the economy was left to us after 45 years of communist rule.

Ladies and gentlemen! Rapid changes are impossible today, and unrealistic. But their expectations and

present difficulties are causing bitterness and animosity in the countryside. Among the townspeople the view is spreading that farmers only demand and complain. They feel that the farmers do very little to help solve the crisis and restructure the economy and that they do not want to carry the burden which is the natural outcome of system changes.

As the president elected by the nation, I cannot allow any antagonism between the inhabitants of urban and rural areas. I should like today's meeting to give the opportunity for exchange of experiences, and for proposals to remove obstacles to local initiatives. I should like this meeting to contribute to shaking misleading views on the atrophy of enterprise. Briefly, I want to and I must do more for agriculture, but I do not know how. This meeting and many others I will have should help me learn how to do it. I am convinced that many experts gathered here and in another place will tell me and the prime minister, the government, how to help this big sector, which in many cases overproduces, but which could be better managed for Poland. [passage omitted]

[Bielecki] Mr. President, ladies and gentlemen. The state is weak today because of the radical change of the situation in the months since the reforms started. This is very often the reason for the confusion of some people and for the feeling of hatred toward the state. Not toward the government or a particular minister, as ministers come and go. This is not a problem. But some problems remain, and some mechanisms are difficult to overcome in one day. We are looking for a big enemy to blame for our bad situation. A total change of situation is a terrible problem to farmers. It used to be a consumer market, now it is a producer market, and it happened within a couple of weeks. Competition has appeared, and it becomes difficult to sell production. Everything has changed suddenly and the farmer is upset because he cannot sell a pig, there is plenty of stored cereal and one does not know what to do with it.

A question is whether this is a permanent or a temporary phenomenon. Well, we are of the opinion that this phenomenon is permanent; therefore one must act differently, as some of you suggested. One must think where to sell products, one must look for markets. Of course there is a market with great potential in the East, where people suffer hardship and where everything could be sold. Also, hatred of the EEC is frightening. We are, I hope, in the stage of final negotiations on a treaty of association with the EEC, which should determine certain possibilities for export to EC markets, and would allow new economic instruments to be employed. But we must not isolate ourselves, although some people advise us to do so.

We must achieve a permanent possibility of exporting our products, we must achieve the possibility of expanding our economy, despite our temporary problems. And there is one more certain thing, apart from the generalities about creating possibilities for trading in Polish food products; if we begin a price and wage race, then those who produce in the second cycle [as heard]—and the farmer is one who to my mind produces in just such a cycle—will never win this sort of race with the city, where one can find, at least in some areas, a faster cycle. And naturally, inflation must be the great enemy of the Polish farmer.

Poland is reaching a sort of general choice—through settling matters with the EEC, through settling trading matters with the East, through the creation of new markets, and through determined actions in those fields which you have indicated, ladies and gentlemen; that is, not only those which concern privatization, but also some sort of help by the state to determine whether that way has a chance or not. [sentence as heard]

I believe that there is a chance for an economy seen in this way, even though it shocks, disturbs, and causes at times a feeling of hatred. Quite the contrary—one must discuss, one must explain, but certain realities we must treat as facts in this country. After all, there are certain means open to the government to aid the processes of restructuring, and there is no race between various organizations to take advantage of these means and use them actively to create certain institutions which you mentioned here.

It must be a combination of the desire to search for solutions by farmers or Polish farmer organizations and the means at the government's disposal. If the government is going to deal with the matter in general terms, which is the simplest, then it directs the means for subisidizing credits and spends the money in one go. But if there is a demand for various active solutions, for assistance, we will find the money. The problem is how we are going to build Poland for a couple of years, and people should be told so. Today a comparison between urban and rural areas gives disadvantage to the countryside. But of course, it depends upon people whether this difficult process of changes has been or has not been accepted. In a sense, the election will answer this. But it is better to tell a bitter truth than to promise that pears will grow on the willow tree. This is what I wanted to tell you in the spirit more of economic than political debate.

Bielecki Discusses Health Financial Crisis

AU0406075391 Warsaw RZECZPOSPOLITA in Polish 28 May 91 p 2

[Z.S. report: "An Injection For The Health Service"]

[Text] "It seems possible to pay the debts incurred by hospitals and health service facilities," said Prime Minister Jan Krzysztof Bielecki at a meeting with members of the Health Service Branch of "Solidarity" and the National Medical Council on 27 May. The purpose of the meeting was to discuss emergency measures and future actions to resolve the crisis in the health service. It was agreed that the next such meeting would take place in two weeks, when people from the Health Ministry will propose new ways of financing medical care.

On behalf of the National Medical Council, Professor Tadeusz Chrusciel demanded changes to the budget that would allow more money for the health service. He argued that health insurance, if introduced, would be an additional source of income for the health service. The "Solidarity" representatives agreed. One of them, Alina Pienkowska, said that although "Solidarity" opposes any industrial action that affects the sick, medical circles are becoming increasingly impatient. Therefore, rapid and specific action is required in the insurance sphere. If this is out of the question, we must be told about other planned actions that would guarantee normal working conditions in hospitals and health clinics, she said.

Piotr Marzewski, vice minister of health, opposed the idea of a health insurance scheme. He claimed that a health insurance fund would not create more cash for the health service than the amount already available, apart from which creating such a fund would be too costly.

Health Minister Wladyslaw Sidorowicz said that every single zloty allocated to the health service must be spent wisely, and those who pass health service legislation and those responsible for health service organization must see to this, he said. This is one reason why hospital doctors must not exceed the limits of the budget allocated to their departments.

The prime minister said that it is becoming "quite possible" to settle the current debts of hospitals and other health facilities. "However," he warned, "this must not serve as a pretext to sit back with a sigh of relief, or else the health service will devour the lion's share of the state budget, and both doctors and patients will continue to be dissatisfied with it. The basic mistake," he said, "is that the old, ineffective mechanisms governing the functioning of the health service have been allowed to spread."

Restrictions on Contacts With Foreigners Lifted

AU0306200591 Bucharest Programul Unu Radio Network in Romanian 1900 GMT 3 Jun 91

[Text] We received the following communique from the press bureau of the Ministry of the Interior:

In view of the complicated situation that arose during the Gulf conflict, Romania, like most countries in the world, decided to adopt increased anti-terrorist measures. In this respect, the communique released by the Ministry of Interior on 19 January 1991 requested that the Romanian citizens should observe—in the absence of up to date regulations—the provisions of Article 16 of Law 25/1969, that is report to the local representatives of the Ministry of Interior any accommodation provided to foreign citizens. The aim was to discover and prevent possible diversionist actions on Romanian territory.

The end of the conflict and the ensuing detente have facilitated an immediate lifting of these restrictions. At present, the foreign citizens already in Romania enjoy freedom of movement and the right to have contacts with individuals and legal entities in our country, without any restriction. The right of Romanian citizens to have contacts with foreign citizens without any restriction is also stipulated.

The Ministry of Interior believes that, in the current normalized international conditions, the provisions of Article 16 of Law 25/1969 concerning the obligation of Romanian citizens to report any housing of foreigners are no longer justified and run counter to the principles of a democratic state of law; consequently, it no longer seeks to implement these provisions. The legal status of foreigners is currently the subject of a draft law, which will be presented to the government for final approval, before it is submitted to Parliament.

Nastase on European Union, Image, Relations

AU0206154091 Bucharest AZI in Romanian 25 May 91 pp 1, 4

[Interview with Foreign Minister Adrian Nastase by Lucia Verona; place and date not given: "New Regional Situations Require New Global Solutions"]

[Text] [Verona] Mr. Minister, at the Prague seminar held during the last week of April, you advanced a very interesting proposal about the creation of a Union of Central and Eastern Europe. Please give us some details of this proposal.

[Nastase] Yes. The idea I launched in Prague takes into consideration the need to find an answer to the institutional transition processes in Central and Eastern Europe, at a time when it has become quite obvious that all European countries are definitely interested in setting up a network of basic bilateral relations, sanctioned in various bilateral treaties. On the other hand, it has also become evident that an all-European security mechanism is a long-term process, which will take some time to accomplish. Therefore, the natural question is what will happen in the period between these two times, that is from the completion of the network of bilateral ties to the point when we institutionalize the all-European mechanism.

On the one hand, a very dense institutional network exists in Western Europe, both at the economic level and at the political and security level, while in Central and Eastern Europe nothing was left after the dissolution of the Warsaw Pact. These are the details of the problem, to which one should add another kind of difficulty, a mental one, namely the fear of a remaking of the Warsaw Pact. In these circumstances, given the fact that all of us are interested in ensuring stability in the area—when I say this, I do not have in mind only the countries in this area, but I also include the Western countries as well—our idea is to set up a forum for political consultations to avoid fragmentation into little subregional groups, which would eventually increase competitiveness among the region's countries and further add to the existing tensions, instead of ensuring greater stability.

In view of possible suspicions, the model we conceived is one that has already been tested, namely the Western European Union, but our model has some supplementary guarantees insured by the participation of the United States, the Western European Union, and the Soviet Union as observers.

[Verona] These guarantors would not be members of the proposed Union ...

[Nastase] That is correct, they would not participate as such in this Union. Therefore, the aim is to set up a forum for political consultations, which would not have a military dimension. Here are at least two differences compared to the old Warsaw Pact—one pertaining to contents, the second to the ensemble of partners. Here I would like to make a clarification: This formula would only be temporary, until the establishment of a pan-European security system.

[Verona] How was this proposal received by the representatives of the countries in this area?

[Nastase] To a large extent, we launched this idea as a trial balloon to see what reactions it would cause; therefore, it is a bit too early for me to tell you now about the various positions adopted in this respect. Anyhow, my feeling is that, generally speaking, the Western countries would be in favor of such a formula, given the fact that it has become quite obvious that NATO and the Western European Union do not intend to open their gates to Central and Eastern European countries right now. As for the countries in this region, they will probably adopt different positions, as a function of the progress of certain processes started in their countries. Hungary's reaction was reserved, even unfavorable in principle, out of the fear that such a union might revive the Warsaw Pact; however, I suspect that those who made those

comments did not carefully study our proposal and failed to understand its substance. A second observation made against my proposal was that these institutionalization efforts might hamper the integration of our countries in the institutional systems of Western Europe. Unfortunately, we are faced again with double standards: On the one hand, this reason is invoked to turn down our suggestion, while, on the other hand, a multilateral organization—even though it has only three members, Hungary, Poland, and Czechoslovakia—was proposed and is actually functioning. I believe one needs coherence in the adoption of positions in this respect; in my opinion, the arguments invoked are not convincing. Of course, each state is entitled to participate or not in a given project, on the basis of declared or undeclared reasons; that is their sovereign right. However, the idea as such is, in my opinion, quite interesting and could even prove useful; the coming months will show whether it has a chance of being implemented.

[Verona] One could conceivably claim that this suggestion incurs the risk of yet another division of the continent into two halves.

[Nastase] Maybe, but I do not think so. In some respects, it is simpler for each country to negotiate with Western institutions on a bilateral basis; however, in other respects, it may also prove more useful to hold certain consultations among our countries, too, so as to avoid—through the existence of this forum of communications—many of the issues that would otherwise cause difficulties and would require a longer time to negotiate in bilateral talks.

[Verona] What can you tell us about subregional developments?

[Nastase] Regarding subregional bodies, I think that the key issue right now is that—in a very dynamic political set of circumstances, in which the institutional framework is not very clear—all these bodies are also acquiring political connotations. Consequently, beyond the concern, let us call it the economic-technical concern, with concrete projects, there is also a political dimension, due to the security vacuum created in our region and maybe also to the obvious competition among our countries. In this respect, the Pentagonal grouping, for instance, rather tends toward expansion right now. As a matter of fact, the formula is rather contradictory, since a "pentagonal" cannot expand, as its very configuration changes.

[Verona] Is this a case of variable geometry?

[Nastase] This is well put; it has become an organization with variable geometry. So, there is this Polish request to join. Romania has also expressed its readiness to join the Pentagonal—anyway, Romania will participate in several projects. Our viewpoint is that all these bodies should develop in accordance with the existing framework of interests, a very clear geographical-economic framework, and should also be intercorrelated. In Prague, I also suggested that a connection between these subregional cooperation efforts should be achieved through the establishment of a system of observers. For instance, a connection between the Pentagonal and the Balkan Forum. Of course, there are also plans for the creation of a Black Sea economic cooperation zone, for a complex program concerning the Danube River, for Baltic cooperation, and so forth. Therefore, all these cooperation bodies should be interconnected in a structural network, while the advocated set of observers ensures a certain coherence to the system.

[Verona] Your suggestions seem to me very much in the spirit of the CSCE...

[Nastase] Exactly. Coming back to the project of a Union of Central and Eastern Europe, I would like to point out that we also presented an alternative model, in case this project is rejected, namely the idea of a consulting commission for the countries of Central and Eastern Europe, which could be placed under the overall umbrella of the Council of CSCE Foreign Ministers.

[Verona] The next question refers to this very Council and the upcoming Berlin meeting, the first of its kind, except for the Madrid legislative meeting held immediately after the Paris summit.

[Nastase] This is the first meeting of an institutionalized framework as stipulated by the Paris Charter, which will probably play a particular role in institutionalizing the CSCE process and creating a structural framework that will develop gradually and in which the foreign ministers—whose Council is scheduled to meet for the first time in Berlin, next June—will play a particular role. The Berlin meeting will probably examine new ideas about the way in which the CSCE should proceed from the stage of process to the stage of structure.

[Verona] What is Romania's image in the world? I mean both in the mass media and in the opinion of the political factors?

[Nastase] Let us begin with the media image. I believe we are at a stage when one can say "pas de nouvelles, bonnes nouvelles" [preceding phrase in French; "no news is good news"]. Therefore, after Romania has been in the headlines "a la une" [preceding phrase in French; "singularly"] in the main newspapers—in the negative sense of the word—our country is less often mentioned in press articles now. This is already a positive change. I believe that the next step is already beginning to take shape, namely the appearance in Western newspapers of factual accounts of and concrete references to things actually happening in Romania, without the usual negative comment. I hope that the media will begin to carry more comments, not necessarily favorable, but which should blend critical elements with positive assessments of some of our achievements. However, one should realize the existence of a certain inertia in media attitudes in general. Changes and the facts as such are of no interest to the press, unless they are of a strictly spectacular nature, in which case they are immediately picked up. However, stronger trends in a specific society will

obviously be reflected in the media after a certain amount of time. Therefore, this is the stage toward which we are moving right now, namely of neutral information, with emphasis on sociocultural events, legislative matters, and so forth.

There is another issue that we have not properly mastered, namely creating the infrastructure of what is known as "public relations" [preceding term in English]. Here, one needs some experience, some resources, and a certain infrastructure. For the time being, we are not competitive in any of these spheres.

[Verona] Unfortunately.

[Nastase] We will have to pay great attention to this aspect. Regarding the political perception, I believe that the changes are quite spectacular in this respect—and I can prove it. I also believe that the foreign embassies in Bucharest have played an extremely important role in recent months, since they provided detailed and correct information about developments in our country. The visits abroad paid by various government members, the prime minister, and the country's president have also been most useful. I am not merely referring to the charismatic aspect of the issue, but primarily to the discussions conducted on these occasions, which led to subsequent contacts at the level of experts, who picked up the countless ideas launched at the highest levels, ensured clear monitoring of them, and adequately endorsed the processes taking place in our country. This less visible and spectacular movement at the second and third political echelon has been a very serious consideration in the change of perceptions abroad.

[Verona] In conclusion, I would like you to give some details about our country's bilateral relations. I am particularly thinking of France, in the wake of President Mitterrand's visit.

[Nastase] The French president's visit was extremely important, particularly from a political viewpoint. The French president's intentions are well known, and I believe that this is an encouraging sign for us. On the other hand, the French president has opened a door which for a while seemed to be locked at a certain level; I am convinced that the visit will have consequences, namely many contacts, primarily at a bilateral level with France, but also with other countries, since the visit was a signal both for us and others. I also believe that this visit enabled us to utter aloud some of our thoughts and was an incentive for us to show more wisdom, particularly in our internal political life. With his experience and dexterity with language, President Mitterrand said a few things that will undoubtedly have an impact on our political life. This visit has marked the start of negotiations for a bilateral treaty with France, has led to an intensification of relations between various ministries, and will no doubt have an important cultural effect, namely the development of closer ties, including Romania's entrance into the Francophone system. At an economic level, I believe that its effects will be many: We have already concluded certain important contracts, like the one with the Bouyques company, but there are another 15-20 contracts currently under negotiation—and these are only the most important ones, since there are another 100 or 200 less important projects still under discussion. Therefore, this is a case of pretty serious economic dynamics that will give substance to our mutual interest.

[Verona] What is the stage of our relations with the United States?

[Nastase] I believe it is important to realize that one should not expect spectacular results overnight. We are faced here with a breakdown in relations, which has developed over a period of several years and which needs care and attention to mend. We must take into account the fact that there is a broad spectrum of decisionmaking and influence centers in the United States and we will have to enter into a dialogue with all of them. Unfortunately, we do not have enough experience and resources; however, the process of finding these necessary resources has started and is registering a positive course. In my opinion, the prime minister's visit to the United States was extremely useful, since he conducted a dialogue in the American taste and style, that is a very frank and open talk, which facilitated a broad review of the most diverse internal and international problems. I had the pleasure of meeting with Secretary of State James Baker in Paris and I realized that he is a man who particularly values this kind of open talks. The prime minister also had the advantage (for all of us) of meeting with various figures from American public life. I believe that the visit will yield results that may become quite useful, to the extent that many other contacts at the second and third echelons may develop.

[Verona] Can one talk about a positive evolution of our relations with Hungary?

[Nastase] I believe the answer is yes, since we began to discuss and negotiate certain concrete, technical matters that could lead to a change in mentalities. I have already mentioned the signing of the "Open Skies" agreement and the consular, cultural, military, and educational accords. However, there are still differences of opinion and different approaches to various issues, including our relations.

For instance, we believe that bilateral relations generally deal with the relationship between the citizens of the two countries. However—I hope that I am wrong here—Hungary lays decisive emphasis on the issue of the rights of the Hungarian minority in Romania as an essential element of the Romanian-Hungarian dialogue. We believe that this is too much. The issue of minorities, as a general human rights issue, is obviously essential for Europe at this time of change, and we have paid great attention to this matter, which is an integral part of the democratization process in our country. However, we pointed out that there cannot be two speeds in this democratization process—one for the majority and the

other for the minorities. On the other hand, I believe that our mutual experiences can play a positive part in this matter and I was very glad to hear that Hungary was ready, or is ready, to follow the model initiated by the Romanian Parliament on the issue of the minorities, namely to automatically give them the right to be represented in Parliament. It seems that Hungary took a step forward in this respect by setting up the institution of minority spokesmen. I consider the fact that our model is followed by Hungary—even though not fully, since the spokesmen will not have the right to vote—as an important step, which we welcome. Regarding the overall issue of minorities, my impression is that Hungary is also accepting now the solution of establishing common European standards to be observed by all countries. Therefore, rather than try to create different isolated patterns for different sets of bilateral ties, one should strive to introduce a general pattern as well as all-European standards in the Paris Charter, which should then be observed by all countries, including Romania and Hungary.

Roman Views Economic Stabilization

AU0206142591 Berlin BERLINER ZEITUNG in German 27 May 91 p 3

[Interview with Prime Minister Petre Roman by Frank Herold in Bucharest; date not given: "Romania's Prime Minister Is Not Afraid of a Military Coup"]

[Text] [Herold] Romania is the country that has undergone the most radical changes. However, the reappraisal of the past seems to be much less radical than in other Eastern European countries. Why?

[Roman] This may be a superficial impression. The truth is different. I believe that the dissolution of the old system and the creation of new legislative structures were the most radical changes in Eastern Europe. What was prepared for five or 10 years in other countries had to be achieved in less than one year in Romania. The tense social situation shows that we have carried out fundamental changes.

[Herold] What is the current dispute about?

[Roman] The current conflict results from the objective inability of various people to participate in the changes. This is due to a mentality that developed in the past few decades when a strictly centralized and dogmatic system prevailed. There are people in the administration and in the enterprises who are simply incapable of understanding the new mechanism. They still cling to their experiences in the old system, which naturally has not been completely dismantled within such a short period. These people become—consciously or unconsciously—enemies of the new mechanism. Thus, a number of our initiatives and resolutions are delayed or blocked when passing through the authorities.

[Herold] How would you describe the relationship between the reform-minded and the conservative forces?

[Roman] The most important thing is that the breakthrough that the government has achieved with the reforms is irreversible. We are currently going through a transitional phase characterized by adaptation problems. These problems are particularly serious in the social sphere.

[Herold] The conflicts within the Salvation Front—not to use the term struggles among different wings—are quite obvious. Does this slow down the pace of reforms?

[Roman] These phenomena are linked with the nostalgia of certain members of the Front, an attitude that I would like to call philocommunist or philosocialist. We do not want such tendencies within the Front. However, they should not be overestimated. The proposals presented by this group recently did not contain much substance. This group describes itself as postcapitalist or the "Front for the National Salvation—Social Democratic Party." This is ridiculous.

[Herold] How would you describe your own political position? What about your relationship with President Ion Iliescu?

[Roman] Our political positions are both included in the program that was adopted by the most recent congress of the Salvation Front. It is a policy of economic liberalization. We are a free citizens' initiative in a democratic society. This position corresponds roughly to the Western social democracy. One could also call it "social liberalism." President Iliescu adopted the position of the Salvation Front after a longer process of development. He is particularly worried about the social problems linked with the changes. This is due to his personal experiences, and it corresponds to his position as president of Romania. He serves as a reconciliating factor within society.

[Herold] What are the most important events of your first year in office?

[Roman] The most important thing was the adoption of an economic reform program and the creation of a legal framework for the reforms. Second, a freely elected democratic government has for the first time assumed power after 40 years.

[Herold] What are the short- and medium-term tasks that have to be tackled now?

[Roman] The most important goal this year is economic stabilization to create a basis for an economic upswing. A clear signal in this direction is required.

[Text] [Herold] Experiences in other Eastern European countries show that social tensions and economic instability occur over longer periods when introducing a new system and new structures. What makes you hope that you will succeed in stabilizing the economy in one year?

[Roman] The structural adaption in our industry will naturally be linked with difficulties. Certain industrial branches will simply collapse. However, if a number of

key industries work efficiently from an economic viewpoint, we can speak of stabilization. Investments are needed during such a phase to prevent a collapse.

[Herold] Are you satisfied with the commitment and the interest of the West in this connection?

[Roman] Of course we are not satisfied, like all other former East Bloc countries. We are probably even more dissatisfied than others. Unfortunately we entered the financial and credit markets much later than the other Eastern European states. The reservation of the financial circles because of difficulties in eastern Germany has meanwhile become noticeable.

[Herold] You spoke of great difficulties that will be linked with structural adaptation. Is this the reason for your nomination of Defense Minister General Stanculescu as economics minister?

[Roman] This is partly true because I cooperated with Stanculescu immediately after the revolution on the creation of new structures. It sounds paradoxical, but in this office one needs both flexibility and power to assert oneself.

[Herold] Did you not want to involve the military in the current process because you fear a military coup if social unrest breaks out?

[Roman] No, not at all. By the way, this is not the only change among the Army leadership. Of course, a whole generation should leave the Army, as happens in the armies of other democratic states.

Nicu Ceausescu Receives 16 Year Sentence

AU0306160391 Bucharest ROMPRES in English 1432 GMT 3 Jun 91

[Text] Bucharest ROMPRES, 3/6/1991—On Monday, June 3, the Military Section of the Supreme Court of Justice passed a sentence in connection with the appeals lodged by the Military Prosecution Directorate and Nicu Ceausescu against the sentence of the Bucharest Territorial Military Tribunal of September 1990 whereby the charge of genocide was replaced by that of instigation to aggravated murder and a penalty of 20 years in prison.

The court rejected the resolution on the charge as well as the sentence and charged the defendant with genocide sentencing him to 16 years in prison, a ban on his rights for eight years, military degradation and partial confiscation of his wealth.

The Supreme Court deducted from the sentence the period of investigative custody starting December 22, 1989 and ending August 24, 1990 and starting August 30, 1990 and ending June 3, 1991.

The decision is definitive.

Mesic Comments on Presidency 'Blockade'

LD0406110191 Belgrade TANJUG in English 1023 GMT 4 Jun 91

[Text] Skopje, June 4 (TANJUG)—Yugoslav State Presidency member Stipe Mesic stated that the "State Presidency was blocked and that he would call a session when this blockade was removed."

In a telephone interview published on Tuesday by the Skopje paper VECER (Republic of Macedonia), Mesic said further work of the presidency depended on the "four who blocked its work." Representatives of the Republic of Serbia and its autonomous provinces Vojvodina and Kosovo voted against Mesic and the representative of Montenegro did not wish to vote during the voting on May 15 to elect the new Presidency president. So Mesic failed to win the necessary five votes of the 8-man Presidency.

Mesic believes that "It would be of no use if he called the session—despite the blockade—because the Presidency was not in a position to make valid decisions."

Asked whether the Army could intervene in the meantime, Mesic replied that "this would be outside the established system," but that "such non-institutional action could always come about."

Federal, Republican Officials Meet on Budget

AU0306194391 Belgrade Radio Belgrade Network in Serbo-Croatian 1700 GMT 3 Jun 91

[Text] We have just received the announcement issued from the meeting of the president of the Federal Executive Council with presidents or vice presidents of republican governments. It was stated at the meeting that everybody has obeyed the agreement reached last week on abolishing the blockade of the Yugoslav unified market. It is announced that most of the session was devoted to a preliminary debate on the federal budget for 1991. During the talks, stands of the majority of participants on (?resources) necessary for an undisturbed functioning of the Yugoslav People's Army were brought closer. The general view has been accepted that the problem of citizens' foreign exchange savings should be treated as the country's real debt and that real resources should be found to cover it.

However, different stands of republican assemblies, governments, and executive council on needs, [word indistinct] rights, and realistic possibilities to finance obligations of the joint state have emerged again at this session. The greatest dispute was caused by the Federal Government's proposal on the active role of the fiscal policy and, in this framework, on interventions [words indistinct] economy. It has been decided, the announcement says at the end, that one should try to solve all disputable questions in the SFRY Assembly, which will open the debate on this year's federal budget next week.

Republics' Policy 'Unacceptable' for Europe

LD0406104291 Belgrade TANJUG in English 1009 GMT 4 Jun 91

[Text] Belgrade, June 4 (TANJUG)—The Belgrade daily VECERNJE NOVOSTI writes on Tuesday that the "Method of the fait accompli policy the Yugoslav republics were increasingly frequently applying to the Yugoslav Federation, its organs and the Yugoslav Army was unacceptable to Europe."

"The states having the rule of law in Europe—a part of which Yugoslavia is—find it inexplicable that sovereignty can be gained through treading on the sovereignty of the existing and recognized state, by way of retailoring its borders, or by delivering sermons on democracy while at the same time violating human rights and arming the people," warns the paper. It cites examples of forming republican armies in the republics of Slovenia and Croatia, as well as the demands in the Republic of Serbia to form "volunteer" and similar units in the Chetnik vein. Chetniks represented military formations in World War Two under the command of General Draza Mihajlovic which collaborated with the fascist occupying forces in the struggle against the partisans.

The commentary recalls that the recent mission to Yugoslavia of the "Europeans" told openly to all six representatives of the Yugoslav republics "they would not participate in the Yugoslav Ping-Pong."

EC Ministers Issue Warning on Disintegration

LD0306184191 Belgrade TANJUG in English 1647 GMT 3 Jun 91

[Text] Berlin, June 3 (TANJUG)—The foreign ministers of the European Community (EC) countries at a meeting in Dresden today cautioned Yugoslavia that it would encounter "serious difficulties" if the process of its disintegration is continued and if the country breaks up.

The ministers said in such a case Yugoslavia would "remain not only without economic aid but also without moral, political or any other assistance on the international scene."

The ministers concluded on the basis of a report of President of the European Commission Jacques Delors, who visited Yugoslavia last week, that the situation in that country was "extremely concern-provoking."

The foreign ministers of the twelve EC countries said the Yugoslav Constitution, the Presidency rota principle, human rights and the rights of national minorities must be respected and all inter-nationality quarrels in Yugoslavia ended.

The ministers discussed today foreign investments in eastern Germany and preparations for a CSCE (Conference on Security and Cooperation in Europe) meeting in Berlin on June 19 and 20. They said the EC would assist the revival of the eastern German economy with capital injections.

Republics Unblock Single Market

LD0306210591 Belgrade TANJUG in English 1918 GMT 3 Jun 91

[Text] Belgrade, June 3 (TANJUG)—The Yugoslav Government today released a statement to the effect that all the six Yugoslav republics have honoured last week's agreement to end the blockade of the single Yugoslav market.

The statement, released after a meeting between Federal Prime Minister Ante Markovic and the republican premiers, says that the governments of Serbia and Croatia had by June 1 rescinded their regulations which had "hindered the free flow of goods and services" on the Yugoslav market. The Slovenian government had taken a similar decision earlier.

During today's meeting, a certain "rapprochement was effected in the stands of most participants on the funds necessary for financing an unhindered functioning of the Yugoslav Army", the statement says.

The statement goes on to say that it was "agreed in principle that the problem of citizens' hard currency saving be treated as the country's real debt and that sources be found for its repayment", it was unanimously adopted, the announcement says.

The meeting brought to light the different stands held by the republics on the "needs, acquired rights and actual possibilities of financing the functioning of a common state", the statement says.

The greatest controversy centred round "the Federal Government's proposal for an active role of the fiscal policy and within this, (?on) interventions from the budget into the economy", the statement says in conclusion.

VJESNIK on 'Foreign Military Interest'

LD0406102491 Belgrade TANJUG in English 0840 GMT 4 Jun 91

[Text] Zagreb, June 4 (TANJUG)—The Zagreb daily VJESNIK today writes that "foreign military interest for Yugoslavia is justified—as far as it involves preventing war in this area." The daily, issued in the capital of the Republic of Croatia, believes that there is no possibility of foreign military intervention in Yugoslavia.

A commentary warns that the regime in the Republic of Serbia is trying to realize its goal through war—turning Yugoslavia into "Serboslavia".

Neither Europe or NATO, as its only security umbrella following the end of the cold war, should neglect the threat and must carefully prepare for a "worst case scenario," the daily concludes.

Croatian Serbs Seek Continuing Army Presence

LD0406105991 Belgrade TANJUG Domestic Service in Serbo-Croatian 0917 GMT 4 Jun 91

[Text] Novi Sad, 4 June (TANJUG)—The Association of Serbs from Croatia in Novi Sad today asked Bogdana Glumac-Levakov, president of the Yugoslav Assembly's Federal Chamber, to urgently extend the stationing of Yugoslav Peoples' Army units and inspectors of the Federal Secretariat for Internal Affairs in Croatia until the peaceful life of Serbs in Croatia is completely and lastingly ensured.

The association, the statement says, sees the reason for this request in the situation in which the SFRY Presidency cannot adopt decisions, although the 30-day period in which Federal forces have been preserving order and peace in Croatia will soon expire.

If, on 9 June, as a result of this expiration, Federal forces are withdrawn from Croatia, a period of even greater repression and lawlessness will appear for the Serbian nation in Croatia, this association warns, especially in areas where units of the Serbian Autonomous Region of Krajina cannot defend the Serbian nation.

Slovene Presidency Meeting Reported

AU0306122491 Sarajevo OSLOBODJENJE in Serbo-Croatian 14 May 91 p 4

[Z. Odic report: "Slovene Leadership on Defense Preparations"]

[Text] Ljubljana, 13 May—The expanded meeting of the Slovene Presidency (which was also attended by the president of the assembly, the prime minister, police and defense minister, and the commanders of the regional headquarters of the Slovene Territorial Defense), did not finish in secrecy, as originally intended, although it is not known exactly what they discussed. The secrecy was broken by the journalists who gathered in Poljce on Monday [13 May] afternoon, but were then thrown out [of the Defense Training Center] by the plain clothes agents. Before this, they were allowed into the dining room of the Defense Training Center, each of the journalists accompanied by an "escort" who made sure that the journalist would leave the premises as soon as he had finished his coffee and paid for it. Because the fact the meeting was being held "leaked" a communique was issued, stating that "the current relations, situation in the Territorial Defense and police were discussed, and that they (probably the members of the Presidency—reporter's note) were informed about the measures imposed upon the organs of the Republic of Slovenia by the Constitutional Law, the Law on Defense and Protection, and by the Law on Military Service."

We can say that at the meeting they discussed how to respond to the raised level of combat readiness in the Yugoslav People's Army [JNA] border units, how to prevent the contingent of draftees scheduled for dispatch on 15 May from leaving, or how to ensure that the JNA authorities do not seize the lists of draftees, how to ensure that those that

are currently serving national service return home before 10 June, as the Slovene government demanded of the Federal authorities, how to protect those that have deserted from the units and do not wish to return, and what to do if the work of the SFRY Presidency is blocked, and if changes take place in the country's leadership ...

Opposition Leaves Assembly Session in Protest

AU0306191991 Belgrade Radio Belgrade Network in Serbo-Croatian 1700 GMT 3 Jun 91

[Dragoslav Kosaric report from Ljubljana]

[Text] The Slovene Assembly is discussing laws that should apply in the future independent and sovereign Slovene state.

[Kosaric] When one expected today's debate on the law on foreigners, (?citizenship), and the National Bank of Slovenia to be held in a classic legal [word indistinct] of coordinating stands and opinions, after the Sociopolitical Chamber had adopted amendments proposed by Legislative-Legal Commission—which condition Slovene citizenship to citizens of other republics with such a knowledge of Slovene language that would enable them to coordinate with others— Mile Setinc, deputy of the Liberal-Democratic Party caused an unexpected complication. He deemed this decision a clear violation of the Statement on Good Intentions that was adopted by the Assembly at the time of the plebiscite and which, as is known, unconditionally guaranteed Slovene citizenship to citizens of other republics in Slovenia. Setinc is of the opinion that all moral and political principles are being violated and, speaking on behalf of his party's deputies' club, called on the deputies of the Liberal-Democratic Party to walk out of the hall and thus block the Chamber's work. Expressing their support, other opposition parties joined this decision, so the Sociopolitical Chamber had to interrupt the session for lack of quorum. The session will be resumed on Wednesday when all three chambers will meet instead of tomorrow.

Serbia Seeks Removal of Symbols From Flag

LD0306183691 Belgrade TANJUG in English 1747 GMT 3 Jun 91

[Text] Belgrade, June 3 (TANJUG)—A governmental commission of the Yugoslav Republic of Serbia proposed today that all ideological symbols be removed from the Republic's flag and coat of arms.

The commission said the flag should remain a red-blue-white horizontal striped design without any additional symbols. The Serbian flag now has a red five-pointed star in the centre.

It also proposed the reintroduction of the old Serbian coat of arms featuring a white two-headed eagle, and its old national anthem (Boze Pravde—Merciful Lord).

The commission, which was formed recenty, is made up predominately of well-known writers, musicians, historians, painters and other artists, including heraldists.

The repubican government is expected to put before parliament the proposal on changing the national flag and coat of arms around the middle of the month. The changes are expected to be decided at a republican referendum.

Serbia's biggest opposition party, the Serbian Renewal Movement (SRM), which has together with two smaller parties formed a coalition named the Serbian Democratic Opposition, has scheduled for June 9 demonstrations in Belgrade at which one of the main demands will be changes of the national flag and coat of arms.

SRM deputies walked out of a parliamentary session last week in protest over the rejection of their proposal for the removal of ideological symbols from the flag and arms to be decided in the Serbian Assembly immediately, without the full legal procedure.

Bosnia Presidency Says Republic Indivisible

LD0306170591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1408 GMT 3 Jun 91

[Text] Sarajevo, 3 Jun (TANJUG)—During the meeting in Sarajevo between the presidents of the presidencies of the Republic of Bosnia-Hercegovina and of Slovenia, and SFRY Presidency members Janez Drnovsek and Bogic Bogicevic, there was also discussion of the speculation surrounding the division of Bosnia-Hercegovina, which some forces in this country are hankering after and working intensively toward. The Presidency is resolute in its orientation to defend the indivisibility and integrity of the republic by all available means, convinced that in this it has the support of the vast majority of citizens of Bosnia-Hercegovina.

This is stated today by the Information Department of the Presidency of Bosnia-Hercegovina, in connection with the stances of the Socialist Democratic Party [SDP], announced at a news conference in which the state leadership of Bosnia-Hercegovina is criticized for not reacting to the evermore certain scenario of the definitive breakup of Yugoslavia and the altering of the borders of Bosnia-Hercegovina.

Bosnian, Macedonian Platform on Country's Future

LD0306210791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1421 GMT 3 Jun 91

[Text] Sarajevo, 3 Jun (TANJUG)—We hold that we can preserve the Yugoslav community only by transforming it into a community of the Yugoslav republics (an

alliance of the Yugoslav republics, an alliance of the Yugoslav states), which would have some characteristics of a state community. Insistence exclusively on a state-legal form of Yugoslovia as a federal state, which would not proceed from the sovereignty of the republics, could lead to the final disintegration of Yugoslavia.

This is stated in introductory remarks to a platform on the future Yugoslav community. The platform, which was revealed today, was drafted by Bosnia-Hercegovina Presidency President Alija Izetbegovic and Macedonian President Kiro Gligorov.

Seven separate chapters are discussing each of the different common interests that could be realized in the future Yugoslav community. Izetbegovic and Gligorov stressed that they are aware that it is necessary to develop further the platform on joint efforts and willingness to compromise.